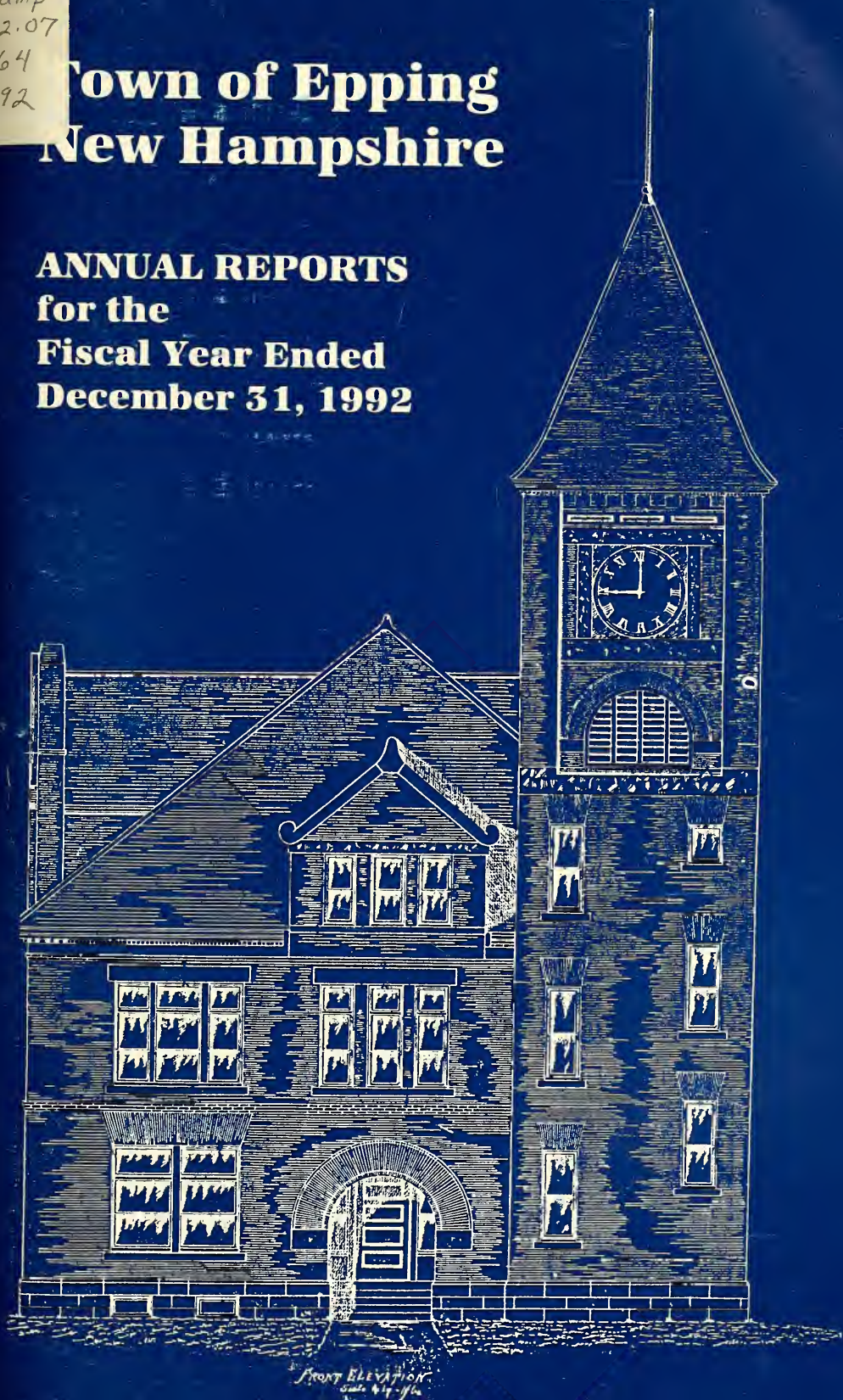


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Town of Epping New Hampshire

ANNUAL REPORTS
for the
Fiscal Year Ended
December 31, 1992



FRONT ELEVATION
Scale 1/4" = 1'-0"



We are proud to dedicate this Annual Report to one of Epping's favorite sons,

Richard F. Sanborn.

Richard has been involved in Town affairs for more than forty-five years. If we could have talked with him about this dedication, he probably would have told us stories for hours on end. What we do know is that he served two terms as Selectman, served on the School Board, was the operator of the Waste Water Treatment Facility for several years and is currently serving the community as Library Trustee and Cemetery Trustee. His present involvement also extends to other activities such as Community Church Trustee, Historical Society Vice President and Rockingham Grange, who recently honored him for fifty-years of dedicated service.

These are unique times when togetherness seems to be disappearing because of the economy or other worldly changes, so when we stop and think of who most exemplifies the kind of citizen we'd want in our Town, we think of Richard Sanborn. The list of his accomplishments are very impressive but not as much as Dick himself. He approaches everything with enthusiasm and sincerity not for reward or recognition but simply for the community he loves. The best way to describe Richard is to say that he "JUST IS" - is gentle, is genuine, is caring, is an ideal citizen and example for us all. The warmth and love he has for Epping is part of his every day living. We know his family is very proud of him and so are we.


On behalf of all the citizens of Epping, we extend our most sincere "Thank you" for being an outstanding citizen, and friend.

Town of Epping New Hampshire

**ANNUAL REPORTS
for the
Fiscal Year Ended
December 31, 1992**

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TOWN OF EPPING OFFICERS

SELECTMAN	Michael Jean, Chr.	1990 -	1993
SELECTMAN	Eileen Murphy	1991 -	Resigned
SELECTMAN	Kim Sullivan	1992 -	1995
SELECTMAN	Roger Gauthier	1992 -	Appointed
TOWN CLERK	Karen Fedolfi	1992 -	1995 Resigned
TOWN CLERK	Linda Foley	1992 -	Appointed
TAX COLLECTOR	Karen Fedolfi	1992 -	1995 Resigned
TAX COLLECTOR	Linda Foley	1992 -	Appointed
TREASURER	Linda Foley	1991 -	1992 Resigned
TREASURER	Barbara McPhee	1992 -	Appointed
CODE ENFORCEMENT	Ronald Loiselle		Appointed
CHIEF OF POLICE	Gregory C. Dodge		Appointed
CHIEF OF FIRE DEPT.	Richard Marcotte		Appointed
FIRE WARD	H. Clifton Cray, Chr.	1992 -	1995
FIRE WARD	Karen Sott	1991 -	1994
FIRE WARD	Michael Jean	1990 -	1993
BOARD OF ADJUSTMENT	Michael Sweeney	1990 -	1993
BOARD OF ADJUSTMENT	Frances Allen	1991 -	1994
BOARD OF ADJUSTMENT	Daniel Harvey, Chr.	1992 -	1995
BOARD OF ADJUSTMENT	Paul Langdon	1992 -	1995
BOARD OF ADJUSTMENT	Dorothy K. Hall		Appointed
BOARD OF ADJUSTMENT	Douglas Johnston	1991 -	1994 Resigned
RECREATION COMMISSION	Diane Hurteau, Chr.	1991	1994
RECREATION COMMISSION	Veo Goodrich	1991 -	1994
RECREATION COMMISSION	Karen Fedolfi	1991 -	1994 Resigned
RECREATION COMMISSION	Susan Russell	1992 -	1995
RECREATION COMMISSION	Leona Jean	1992	1995
MODERATOR	Harold LaPierre	1992 -	1994
CHECKLIST SUPERVISOR	Louise Harvey	1990 -	1996
CHECKLIST SUPERVISOR	Grace Lavoie	1992 -	1998
CHECKLIST SUPERVISOR	Beverly Chamdler	1988 -	1994 Resigned
CHECKLIST SUPERVISOR	Pamela Holmes		Appointed

TOWN OF EPPING OFFICERS

BALLOT CLERK	Emma Gomez		Appointed
BALLOT CLERK	Pamela Holmes		Appointed
BALLOT CLERK	Virginia LaPierre		Appointed
BALLOT CLERK			
CONSERVATION COMMISSION	Barbara McPhee	1990 -	1993
CONSERVATION COMMISSION	James McGeough	1991 -	1994
CONSERVATION COMMISSION	Stephen Johnson	1991 -	1994
CONSERVATION COMMISSION	Gerald Langdon	1991 -	1994
CONSERVATION COMMISSION	Ann Russo	1991 -	1994
CONSERVATION COMMISSION	Roy Judd, Chr.	1992 -	1995
CONSERVATION COMMISSION	Paul Langdon	1992 -	1995
CONSERVATION COMMISSION	Kevin Martin	1992 -	1995
HUMAN SERVICE OFFICER	Ronald Loiselle		Appointed
PLANNING BOARD	Robert Goodrich, Chr.	1991 -	1993
PLANNING BOARD	Mary Cloutier	1991 -	1994
PLANNING BOARD	Marilyn Perry	1991 -	1994
PLANNING BOARD	Douglas Finan	1992 -	1995
PLANNING BOARD	Eileen Murphy	Sel. Rep	Resigned
PLANNING BOARD	Kim Sullivan	Sel. Rep.	
WATER/SEWER COMMISSION	Renald Cote	1990 -	1993
WATER/SEWER COMMISSION	Jack O. Lavoie	1991 -	1994
WATER/SEWER COMMISSION	William Murch	1992 -	1995
LIBRARIAN	Duane Shaffer		Appointed
LIBRARY TRUSTEE	Teresa Kucera	1990 -	1993
LIBRARY TRUSTEE	Deborah McConnell	1991 -	1994
LIBRARY TRUSTEE	Richard Sanborn	1992 -	1995
CEMETERY TRUSTEE	Richard Sanborn	1990 -	1993
CEMETERY TRUSTEE	Willis A. Baker	1991 -	1994
CEMETERY TRUSTEE	Rhonda B. Smith	1992	1995
BUDGET COMMITTEE	Thomas Carleton, Chr.	1990 -	1993
BUDGET COMMITTEE	Donald Sisson	1990 -	1993
BUDGET COMMITTEE	James McGeough	1990 -	1993
BUDGET COMMITTEE	Charles Pearson	1991 -	1994 Resigned
BUDGET COMMITTEE	Daniel Harvey	1991 -	1994
BUDGET COMMITTEE	Susan Russell	1992 -	1995

TOWN OF EPPING OFFICERS

BUDGET COMMITTEE	John Vitale	1992 -	1995
BUDGET COMMITTEE	Roy Judd	1992 -	1995
BUDGET COMMITTEE	Robert Lamothe	1992 -	1995 Resigned
BUDGET COMMITTEE	Mark Kucera		Appointed
BUDGET COMMITTEE	Geri Kearns		Appointed
BUDGET COMMITTEE	Joseph Foley		School Rep
BUDGET COMMITTEE	Michael Jean		Selectman Rep.
HISTORIC DISTRICT COMM.	Debra Marvit	1991 -	1994
INDUSTRIAL DEV. COMM.	Donald Meroth	1991 -	1994
INDUSTRIAL DEV. COMM.	Glenn Kikel	1991 -	1994
INDUSTRIAL DEV. COMM.	Ronald Nowe	1991 -	1994
INDUSTRIAL DEV. COMM.	James Kach	1990 -	1993
INDUSTRIAL DEV. COMM.	Robert Kimball	1990 -	1993
INDUSTRIAL DEV. COMM.	William Murch	1990 -	1993
INDUSTRIAL DEV. COMM.	Marilyn Perry	1992 -	1995
INDUSTRIAL DEV. COMM.	Paul Spidle	1992 -	1995
INDUSTRIAL DEV. COMM.	Susan Joyce	1992 -	1995
INDUSTRIAL DEV. COMM.	Lorraine Rauh		Alternate
INDUSTRIAL DEV. COMM.	Donald Sisson		Alternate
INDUSTRIAL DEV. COMM.	John Vitale		Alternate
INDUSTRIAL DEV. COMM.	Deborah Marvit		Alternate
INDUSTRIAL DEV. COMM.	Kim Sullivan		Sel. Rep.
INDUSTRIAL DEV. COMM.	Roy Jodd		Con.Comm.
INDUSTRIAL DEV. COMM.	Joseph Foley		School Rep.
INDUSTRIAL DEV. COMM.	Robert Goodrich		Plan. Bd.Rep.
INDUSTRIAL DEV. COMM.	Renald Cote		W&S Rep.
EMERGENCY MANAGER	Donald Shappell		Appointed
TRUST FUND TRUSTEE	William Williamson	1990 -	1993
TRUST FUND TRUSTEE	Daniel Harvey	1991 -	1994
TRUST FUND TRUSTEE	James Rogier	1992 -	1995

TOWN MEETING MINUTES

MARCH 17, 1992

The adjourned Town Meeting was called to order at 7:00 p.m. by the Moderator, Harold LaPierre, Jr.

At this time, Paul Spidle, Chairman of the Board of Selectmen, spoke on behalf of our late Martha McGrath, (Rusty), as she was know to those who worked with her and loved her. The Board presented a plaque to her family, thanking them and recognizing her many years of service to the Town as bookkeeper. She is greatly missed.

A beautiful silver bowl and bouquet of flowers were presented to me, Bea Marcotte, from the Board of Selectmen on her forced retirement. A standing ovation was also given, which filled me with price and sorrow. After the presentation, the Moderator read the election results.

ARTICLE 1:

Results of the 1992 Town Elections:

Moderator for two years:

Harold LaPierre, Jr.	765	
Paul Spidle	324	Harold LaPierre was elected

Selectman for three years:

Peter Hague	317	
Douglas Johnston	230	
Kim Sullivan	528	Kim Sullivan was elected

Treasurer for one year:

Linda Foley	932	Linda Foley was elected
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Town Clerk for two years:

Karen Fedolfi	564	
Beatrice G. Marcotte	497	
Rhonda Smith	55	Karen Fedolfi was elected

Tax Collector for two years:

Karen Fedolfi	645	
Beatrice G. Marcotte	461	Karen Fedolfi was elected

Trust Fund Trustee for three years:

James Rogier	846	James Rogier was elected
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W & S Commissioner for three years:

Richard Fisher	275	
Albert Haberstroh	243	
William Murch	558	William Murch was elected

Planning Board for three years:

Douglas Finan	766	Douglas Finan was elected
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Budget Committee for three years:(vote for three)

Roy Judd	716	
----------	-----	--

Mark Kucera	420	
Robert Lamothe	482	
Todd Trobaugh	405	
John Vitale	516	Roy Judd, John Vitale and Robert Lamothe were elected
Budget Committee for one year: (vote for one)		
Susan Russell	582	
Steve Sawyer	418	Susan Russell was elected
Bd. of Adjustment for three years: (vote for two)		
Dorothy K. Hall	428	
Daniel Harvey	584	
Paul Langdon	592	Daniel Harvey and Paul Langdon were elected
Fire Ward for three years		
Bruce Chapman	460	
H. Clifton Cray	560	H. Clifton Cray was elected
Cemetery Trustee for three years:		
Rhonda Smith	516	
Neal Spear	427	Rhonda Smith was elected
Checklist Supervisor for six years: (write in)		
Grace Lavoie	288	
Pamela Holmes	90	Grace Lavoie was elected

The Moderator also read the rules of procedure by which this Meeting will be governed. He also gave everyone a chance to change these procedures if they so desired. Several motions were made, but none passed. Michael Jean made a motion to accept the rules as read, seconded, voted on and passed.

ARTICLE 2:

TO SEE IF THE TOWN OF EPPING WILL VOTE TO RESCIND THE ADOPTION OF THE SO CALLED BOCO CODE, AND THE NEED FOR A CODE ENFORCEMENT OFFICER. THE REASON FOR THE VOTE TO RESCIND IS TO CONSERVE TIME AND EXPENSE FOR THE PEOPLE OF EPPING. (Referendum Ballot)

Results: Yes - 502 No - 594 Article defeated

ARTICLE 3:

TO SEE IF THE TOWN WILL VOTE TO REVISE THE CODE ENFORCEMENT OFFICER POSITION TO A PART-TIME POSITION COMBINED WITH THE BUILDING INSPECTOR, ZONING ADMINISTRATOR AND HEALTH OFFICER DUTIES, WAGES WILL BE DETERMINED ON A PERMIT/FEE BASIS. (Referendum Ballot Vote)

Results: Yes - 531 No - 550 Article defeated

ARTICLE 4:

ARE YOU IN FAVOR OF AMENDING THE EPPING ZONING ORDINANCE BY STATING, "AGRICULTURAL DEVELOPMENT SHALL NOT BE EXCLUDED FROM ANY

ZONE?" TO BE ACTED UPON AT THE 1992 ANNUAL TOWN MEETING. (Referendum Ballot vote)

Results: Yes - 431 No - 742 Article defeated

ARTICLE 5:

ARE YOU IN FAVOR OF AN AMENDMENT TO THE ZONING ORDINANCE, ARTICLE 3, WEST EPPING ZONE, SECTION 3:1 PERMITTED USES TO INCLUDE LIGHT INDUSTRIAL AND COMMERCIAL? (Referendum Ballot Vote)

Results: Yes - 603 No - 478 Article passed

ARTICLE 6:

DO YOU FAVOR THE ADOPTION OF THE TOWN MANAGER PLAN AS PROVIDED IN CHAPTER 37 OF THE REVISED STATUTES ANNOTATED, "THIS QUESTION TO APPEAR ON THE WRITTEN BALLOT". IT IS THE OPINION OF THE PETITIONERS THAT ADOPTION OF SAID PLAN WILL REDUCE BUREAUCRACY, PROVIDE GREATER ACCOUNTABILITY AND CONTROL OF EXPENDITURES AND ALLOW THE SELECTMEN GREATER FLEXIBILITY IN GOVERNING THE TOWN AND ITS DEPARTMENTS, INCLUDING WATER AND SEWER. (Referendum Ballot vote)

Results: Yes - 451 No - 632 Article defeated

ARTICLE 7:

SHALL THE POWERS AND DUTIES OF THE OFFICE OF COLLECTION OF TAXES BE TRANSFERRED FROM SAID OFFICE TO THAT OF TOWN MANAGER? THIS VOTE SHALL TAKE EFFECT ONLY IF: THE TOWN SHALL ADOPT THE PROVISIONS OF RSA 37 (TOWN MANAGER - article #6). (Referendum Ballot vote)

Results: Yes - 352 No - 712 Article defeated

ARTICLE 8:

TO ACT ON THE REPORTS OF THE SELECTMEN, AND SUCH OTHER TOWN OFFICERS, BOARDS, COMMITTEES AND ALL COMMISSIONS WHO ARE REQUIRED BY LAW TO MAKE SUCH REPORTS.

Selectman Spidle explained the reason the Town Reports were late. He also explained some of the problems that caused the errors in the audit and the fact that an additional \$5,000 has been authorized for some additional work. Selectman Spidle then read a prepared statement he wrote in response to the School District Meeting and how it will affect the tax rate.

The motion was made and seconded to remove two paragraphs (page 21) from the Selectmen's Report as printed in the Town Report. Comments were made by Geri Kearns, Lorraine Rauh, Leona Jean, John Vitale and Susan Joyce. The vote was taken to approve the amendment = yes - 91, no - 137. Amendment defeated. The motion to move the question was voted upon and passed unanimously. The moderator put the original article #8 to a vote which passed by a majority vote.

ARTICLE 9:

BY AUTHORITY OF RSA 80:80, THE SELECTMEN OF THE TOWN OF EPPING ARE HEREBY AUTHORIZED BY THE 1992 ANNUAL TOWN MEETING OF THE TOWN

OF EPPING, TO TRANSFER ANY TAX LIEN ACQUIRED BY THE TAX LIEN PURSUANT TO RSA 80:58-87, TO THIRD PARTY PURCHASERS OF SUCH LIENS, AT ANY TIME SUBSEQUENT TO THE EXECUTION OF SUCH LIEN BUT PRIOR TO THE EXECUTION OF A TAX DEED UNDER RSA 80:76, IN THE FOLLOWING MANNER: (see insert)

Town Administrator Philip L. Munck, explained why the Board is asking the Town to pass this article to allow them to sell the Tax Lines. There was discussion from residents. Mrs. Mary Fecteau and Selectman Sullivan questioned why it had to be by sealed bids. Mr. Munck explained. Mr. John Vitale made the motion to move the question. This motion was then put to a vote to approve article #9 and passed by majority vote.

ARTICLE 10:

TO SEE IF THE TOWN WILL AUTHORIZE THE SELECTMEN TO ADMINISTER, SELL OR OTHERWISE DISPOSE OF ANY REAL ESTATE OR OTHER TOWN OWNED PROPERTY ACQUIRED BY TAX TITTLE OR OTHERWISE, BY PUBLIC AUCTION OR OTHER LEGAL MEANS AND PROVIDING THAT IF SUCH PROPERTY IS TO BE SOLD, THEN THE SAME SHALL BE ADVERTISED SIXTY (60) DAYS IN ADVANCE OF SALE WITH NOTICE THEREOF BEING POSTED AT THREE PUBLIC PLACES (TOWN HALL, LIBRARY AND POST OFFICE) AND AREA NEWSPAPERS.

A motion was made and seconded to approve this article as read. Selectman Murphy made the motion to amend the article to delete the words "or other legal means". This motion was seconded by Mary recteau. A brief explanation was provided by Selectman Spidle. This motion to amend was discussed, put a vote and defeated by a majority vote. A motion was then made to move the question. This motion was seconded, voted and passed by a majority vote. Article #10 was then voted on and passed by a majority vote as originally written.

ARTICLE 11:

ARE YOU IN FAVOR OF ADOPTING THE PROVISIONS OF RSA 31:94-A TO CHANGE THE FISCAL YEAR OF THE TOWN TO RUN FROM JULY 1, TO JUNE 30 OF THE FOLLOWING YEAR BEGINNING WITH A SINGLE 18 MONTH ACCOUNTING PERIOD BEGINNING JANUARY 1, 1992 AND ENDING JUNE 30, 1993.

Selectman Jean made the motion to approve this article as read. Selectman Spidle seconded this motion. Selectman Spidle explained the reasons for this article. Mr. Munck illustrated some facts with the use of charts and overhead projector and recommended the Town adopt the fiscal year. Mrs. LaPierre and Mrs. Fecteau questioned the plan. Mr. Munck answered these questions. Mr. Trobaugh spoke for the Budget Committee giving their reasons for not endorsing this article. They recommended this be brought before the Town next year. Selectman Sullivan stated that he is not in favor of a fiscal year at this time. The motion was made and seconded to move the question. This motion was put to a vote and passed unanimously. the original motion was then voted on and defeated.

ARTICLE 12:

TO SEE IF THE TOWN WILL VOTE TO RESCIND THE VOTE TAKEN AT THE ANNUAL TOWN MEETING ON MARCH 7, 1972 (TO SEE IF THE TOWN WILL VOTE TO ELECT THE MEMBERS AT LARGE OF THE BUDGET COMMITTEE COMMENCING

IN 1973 IN ACCORDANCE WITH THE PROVISIONS OF THE MUNICIPAL BUDGET LAW AS CONTAINED IN RSA, CHAPTER 32 AS AMENDED) NOTE: A "YES" VOTE WILL ABOLISH THE BUDGET COMMITTEE, A "NO" VOTE WILL RETAIN THE BUDGET COMMITTEE.

The motion was made by Selectman Jean to accept this article as read and seconded by Selectman Murphy. Selectman Sullivan read a prepared statement at this time in support of the Budget Committee. Selectman Murphy explained the reasons this article was included in the Warrant. Mr. Trobaugh spoke on behalf of the Budget Committee. Selectman Jean answered the concerns of Mr. Trobaugh regarding the Selectmen's position on this article. Mr. Robert Dodge made the motion to table this article but was ruled out of order by the Moderator. Selectman Spidle spoke in support of this article. The Moderator invited the members of the Budget Committee to speak. Mr. Carleton, Budget Committee member, explained the qualifications of the Budget Committee and their position on the Selectmen's budget. Mr. Phil Primack, Mr. William Williamson, Mr. Phil Sawyer and Mrs. Dorothy Hall, all spoke in support of the Budget Committee. Mr. Robert Dodge again made the motion to table this article. This motion was seconded and voted upon at this time and was defeated. The motion was made and seconded to move the question. This motion was passed. The question was moved. The motion was made by Selectman Jean to take a hand vote on the original question. This motion was seconded and passed by majority vote and a hand vote was taken. The article was defeated.

ARTICLE 13:

TO SEE IF THE TOWN WILL AUTHORIZE THE SELECTMEN TO BORROW IN ANTICIPATION OF TAXES.

The motion was made by Selectman Jean to accept this article as read and seconded by Selectman Murphy. This article was put to a vote and passed by a majority vote.

ARTICLE 14:

TO SEE IF THE TOWN WILL VOTE TO RESCIND THE VOTE OF THE ANNUAL TOWN MEETING OF 1969 APPROVING ARTICLE #9, ARTICLE #10, ARTICLE #11 AND ARTICLE #14: THEREBY CONVEYING THE AUTHORITY OF THE WATER AND SEWER COMMISSION BACK TO THE BOARD OF SELECTMEN. THE ARTICLES TO BE RESCINDED ARE AS FOLLOWS

ARTICLE #9, 1996 - TO SEE IF THE TOWN WILL VOTE TO ESTABLISH A BOARD OF SEWER COMMISSIONERS, CONSISTING OF THREE MEMBERS, WHICH BOARD SHALL PERFORM ALL THE DUTIES AND POSSES ALL POWERS PURSUANT TO RSA CHAPTER 252.

ARTICLE #10, 1969 - TO SEE IF THE TOWN WILL VOTE TO VEST THE MANAGEMENT, CONTROL AND DIRECTION OF THE WATER WORKS SYSTEM IN A BOARD OF WATER COMMISSIONERS, CONSISTING OF THREE MEMBERS WHICH THE BOARD SHALL HAVE POWERS AND DUTIES AS MAY BE PRESCRIBED PURSUANT TO RSA CHAPTER 38.

ARTICLE #11, 1969 - TO SEE IF THE TOWN WILL VOTE TO COMBINE THE FUNCTIONS OF SEWER COMMISSIONERS AND WATER COMMISSIONERS TO ENABLE ONE BOARD CONSISTING OF THREE MEMBERS TO CARRY OUT THE POWERS OF EACH FUNCTION. MARCH 17, 1992

ARTICLE #14, 1969 - TO ELECT BY BALLOT THREE COMMISSIONERS TO SERVE THE COMBINED FUNCTIONS OF SEWER AND WATER COMMISSIONERS TO HOLD OFFICE FOR THREE YEARS, TWO YEARS AND ONE YEAR RESPECTFULLY," NOTE, A "YES" VOTE WILL ABOLISH THE WATER AND SEWER COMMISSION, A "NO" VOTE WILL RETAIN THE WATER AND SEWER COMMISSION.

The motion was made by Selectman Jean to table this article. This motion was seconded by Selectman Murphy. The motion to table was put to a vote and passed by a majority vote. Article #14 was tabled.

ARTICLE 15:

TO SEE IF THE TOWN WILL AUTHORIZE THE SELECTMEN TO APPLY FOR, RECEIVE AND EXPEND FEDERAL GRANTS WHICH MAY BECOME AVAILABLE DURING THE COURSE OF THE YEAR AND ALSO TO ACCEPT AND EXPEND MONEY FROM ANY OTHER GOVERNMENTAL UNIT OR PRIVATE SOURCE TO BE USED FOR PURPOSES WHICH THE TOWN MAY LEGALLY APPROPRIATE MONEY PROVIDED: (1) THAT SUCH GRANTS AND OTHER MOINES DO NOT REQUIRE THE EXPENDITURES OF OTHER TOWN FUNDS (2) THAT A PUBLIC HEARING BE HELD BY THE SELECTMEN PRIOR TO THE RECEIPT AND EXPENDITURE OF SUCH GRANTS AND MOINES, AND (3) THAT SUCH ITEMS SHALL BE EXEMPT FROM ALL PROVISIONS OF RSA 32 RELATIVE TO LIMITATION AND EXPENDITURE OF TOWN MOINES, ALL AS PROVIDED BY RSA 31:95-B.

The motion was made by Selectman Jean and seconded by Selectman Spidle to accept this article as read. The motion was put to a vote and passed by majority vote.

ARTICLE 16:

TO SEE IF THE TOWN WILL VOTE TO AUTHORIZE THE BOARD OF SELECTMEN TO ACCEPT ON BEHALF OF THE TOWN, GIFTS, LEGACIES AND DEVICES MADE TO THE TOWN IN TRUST FOR ANY PUBLIC PURPOSE, AS PERMITTED BY RSA 31:19.

The motion was made by Selectman Spidle and seconded by Selectman Jean to accept this article as read. This article was put to a vote and passed by majority.

ARTICLE 17:

TO SEE IF THE TOWN WILL AUTHORIZE THE BOARD OF SELECTMEN TO ACCEPT THE DEDICATION OF ANY STREET SHOWN ON A SUBDIVISION PLOT APPROVED BY THE PLANNING BOARD, PROVIDED THAT SUCH STREET HAS BEEN CONSTRUCTED TO APPLICABLE TOWN SPECIFICATIONS AS DETERMINED BY THE BOARD OF SELECTMEN OR THEIR AGENT.

The motion was made by Selectman Jean and seconded by Selectman Murphy. This article was put to a vote as written and passed by a majority vote.

ARTICLE 18:

ARE YOU IN FAVOR OF ADOPTING THE 250TH ANNIVERSARY SEAL AS THE NEW OFFICIAL SEAL FOR THE TOWN OF EPPING. THE 250TH ANNIVERSARY SEAL IS DISPLAYED ON THE FRONT COVER OF THE 1991 ANNUAL TOWN REPORT.

The motion was made by Selectman Jean and seconded by Selectman Murphy. This article was put to a vote as written and passed by a majority vote.

ARTICLE 19:

ARE YOU IN FAVOR OF EXTENDING THE TOWN OF EPPING'S INVOLVEMENT AND COMMITMENT AS A MEMBER OF THE LAMPREY REGIONAL SOLID WASTE COOPERATIVE FROM ITS CURRENT TERMINATION DATE OF JUNE, 1992 UNTIL THE END OF THE BUSINESS DAY ON JUNE 30, 1996?

The motion was made by Selectman Jean and seconded by Selectman Spidle to accept this article as read. Mr. Munck explained the importance of it's adoption. This article was put to a vote and passed by a majority.

ARTICLE 20:

TO SEE IF THE TOWN WILL VOTE TO ESTABLISH AS TOWN FOREST UNDER RSA 31:110, THE FOLLOWING PARCELS OF LAND: GEORGE FALLS FOREST, MAP #8, LOT #75 AND HANOVER ACRES, PARCEL MAP #8, LOT #74, TO AUTHORIZE THE CONSERVATION COMMISSION TO MANAGE THE TOWN FORESTS UNDER THE PROVISIONS OF RSA 31:112 II, AND TO AUTHORIZE THE PLACEMENT OF ANY PROCEEDS WHICH MAY ACCRUE FROM SAID FOREST MANAGEMENT IN A SEPARATE FOREST MAINTENANCE FUND, WHICH SHALL BE ALLOWED TO ACCUMULATE FROM YEAR TO YEAR AS PROVIDED BY RSA 31:113.

The motion was made by Selectman Jean and seconded by Selectman Spidle to accept this article as read. Mr. Robert Goodrich of the Planning Board, stated that they are not involved in this project but does support it. Mr. Steven Johnson of the Conservation Commission spoke on behalf of this article. The motion was made and seconded to move the question. This motion was voted on and passed. Article #20 was put to a vote and passed by a majority vote.

ARTICLE 21:

TO SEE IF THE TOWN WILL VOTE TO RAISE AND APPROPRIATE THE SUM OF \$13,000 TO HELP DEFRAY THE COST OF INSTALLATION OF TRAFFIC SIGNAL LIGHTS AT THE INTERSECTION OF ROUTE 125 AND OLD HEDDING ROAD. THE BALANCE OF THE FUNDS NEEDED (2/3) TO BE PROVIDED BY THE STATE AND FEDERAL GOVERNMENTS. TOTAL COST - \$39,000.

The motion was made by Selectman Spidle to accept this article as read and seconded by Selectman Jean. Selectman Spidle spoke on behalf of this article and explained why. This article was put to a vote and passed.

ARTICLE 22:

TO SEE IF THE TOWN WILL VOTE TO RAISE AND APPROPRIATE THE SUM OF \$15,500 FOR THE PURCHASE OF A SECOND NEW POLICE CRUISER FOR THE EPPING POLICE DEPARTMENT. ANOTHER CRUISER IS BEING PURCHASED WITHIN THE POLICE BUDGET.

The motion to accept this article as read was made by Selectman Jean and seconded by Selectman Murphy. Police Chief Dodge spoke in support of this article. The motion was made

by Mr. Vitale and seconded by Selectman Murphy to move the question. This motion was put to a vote and passed. Article #22 was put to a vote and passed by majority vote.

ARTICLE 23:

TO SEE IF THE TOWN WILL VOTE TO RAISE AND APPROPRIATE THE SUM OF \$25,000 FOR THE IMPROVEMENTS TO THE EPPING TOWN HALL. TO INCLUDE A NEW HEATING SYSTEM AND RENOVATIONS INCLUDING ELECTRICAL SYSTEMS IN THE TAX COLLECTOR'S OFFICE.

The motion was made by Selectman Jean and seconded by Selectman Murphy to accept this article as read. Mrs. Hall asked the Budget Committee to speak on this article. Mr. Trobaugh explained why the Budget Committee took no action on this article. After a lengthy discussion, the petition for a ballot vote was withdrawn. The article was put to a vote and passed.

ARTICLE 24:

TO SEE IF THE TOWN WILL VOTE TO RAISE AND APPROPRIATE THE SUM OF \$35,000 FOR THE PURPOSE OF REPAIRING AND PAINTING THE WATER TOWER. ALSO, TO AUTHORIZE THE ISSUANCE OF SERIAL NOTES OR BONDS IN AN AMOUNT NOT TO EXCEED \$35,000 UNDER AND IN COMPLIANCE WITH THE STATE OF NEW HAMPSHIRE LAW. TO AUTHORIZE THE SELECTMEN TO DETERMINE THE TIME AND PLACE OF PAYMENT AND RATE OF INTEREST ON SAID SERIAL BONDS OR NOTES AND TO TAKE WHATEVER ACTION AS MAY BE NECESSARY TO THE ISSUANCE THEREOF. THE PERIOD OF SAID NOTES OR BONDS SHALL NOT EXCEED FIVE (5) YEARS. IT IS THE INTENTION OF THE TOWN THAT SAID BONDS OR NOTES AND INTEREST THEREON SHALL BE A GENERAL OBLIGATION OF THE TOWN.. SUCH REPAIRS ARE DEEMED TO HAVE A USEFUL LIFE EXCEEDING FIVE (5) YEARS.

The motion was made by Selectman Jean and seconded by Selectman Spidle to accept this article as read. Selectman Spidle explained the Board's position in favor of this article and yielded to the Water & Sewer Commissioners. Mr. Renald Cote of the Water & Sewer Commission made the motion to table this article. This motion was put to a vote and passed. Article #24 was tabled.

ARTICLE 25:

TO SEE IF THE TOWN WILL VOTE TO RAISE AND APPROPRIATE THE SUM OF THREE THOUSAND DOLLARS (\$3,000) TO DEFRAY THE COSTS OF THE EQUIP-MEN AND SUPPLIES OF THE EPPING YOUTH ATHLETIC ASSOCIATION.

The motion was made by Selectman Jean and seconded by Selectman Murphy. Mr. James McGeough spoke in support of this article. This article was put to a vote and passed by majority vote.

AT THIS TIME:

Selectman Murphy made the motion to take articles #26 through #38, (all human service articles) and vote on them together with a total Budget Committee recommendation of \$33,156 on a total requested combined value of \$43,056. As a part of this motion, individual debate will be allowed on each prior to a final vote. The vote to be by secret ballot as stated in

the petition. This motion was seconded by Judy Murch. Mr. Bowles asked that they consider article #36 separately because there was a request to cut it and he asked to speak to this article. After some discussion, Selectman Murphy withdrew her motion. The second to this motion was also withdrawn. Mrs. Nancy Chase made the motion to combine articles #26, #27, #31, #32, #33, #35 and #38 which were approved by the Budget Committee. This motion was seconded by Mr. Bowles. Mr. Trobaugh explained the Budget Committee's action on article #26 which, he feels, can be included in Mrs. Chase's motion. Mrs. Chase did not change her motion. The question to include these articles in one vote was put to a vote. Motion carried. After some further discussion and confusion, the motion was made to amend the motion to separate these articles and vote on them together with a total amount of \$43,056. This motion to amend was seconded by Mr. Haberstroh, put to a vote and passed. The motion was made to move the question and seconded. Motion passed. The total amount approved was \$43,056 for all the Human Service agencies which includes articles #26, #27, #28, #298, #30, #31, #32, #33, #34, #35, #36, #37 and #38.

ARTICLE 39:

TO SEE IF THE TOWN WILL VOTE TO ESTABLISH A PART TIME POSITION OF EPPING COMMUNITY SERVICE AND RECREATION DIRECTOR, TO BE HIRED BY THE EPPING COMMUNITY SERVICE AND RECREATION COMMISSION, AND TO RAISE AND APPROPRIATE THE SUM OF \$9,100 AS COMPENSATION FOR THIS POSITION FOR 1992.

The motion to accept this article as read was made by Selectman Jean and seconded by Selectman Murphy. The motion was made and seconded to table this article. This motion was put to a vote and was defeated. Mrs. Fedolfi spoke on behalf of the Recreation Commission. Mrs. Susan Russell, of the Recreation Commission, spoke against this article. After a great deal of discussion this article, the motion was made and seconded to move the question. Motion passed. A motion made by John Vitale to amend the article to read \$2,500 instead of the original \$9,100 was withdrawn. The vote was taken on the original article #39 and passed.

ARTICLE 40:

TO SEE IF THE TOWN WILL AUTHORIZE THE BOARD OF SELECTMEN TO ESTABLISH OR AMEND FEES PURSUANT TO RSA 41:9A.

The motion was made by Selectman Spidle and seconded by Selectman Jean to accept this article as read. Selectman Spidle explained that such authorization has never been given to the Selectmen and it should have been done. This is important to the collection of fees for the use of the Epping ambulance. Mr. Munck explained this in more detail. The article was put to a vote and passed by a majority vote.

ARTICLE 41:

TO RAISE SUCH SUMS OF MONEY WHICH MAY BE NECESSARY TO DEFRAY TOWN CHARGES FOR THE ENSUING YEAR AND MAKE APPROPRIATIONS OF SAME.

The motion was made by Selectman Jean to accept this article as read and seconded by Selectman Spidle. The total appropriation is \$2,062,849 less estimated revenues of \$1,053,978. Amount of taxes to be raised exclusive of school and county taxes is \$1,008,871. Selectman Jean

made the motion to change this total to be raised by taxes to \$1,913,228. Actual expenses for current year is \$2,182,420. The Selectmen's budget for the ensuing year is \$2,197,849. The Selectmen's budget for the ensuing year is \$2,197,849. Budget Committee recommendation is \$2,062,849. Not recommended by Budget Committee is \$135,000. The final appropriation is \$2,109,449. This is the adjusted amount. - \$2,209,449. The motion was made by Selectman Jean and seconded by Selectman Murphy to amend the budget to read \$2,209,449. The motion was put to a vote and defeated. Selectman Jean then made the motion to amend the article to read \$2,162,849. This motion was seconded by Selectman Spidle. This motion was put to a vote and was defeated. Selectman Jean made the motion to amend the article to read \$2,062,849. This motion was seconded. The motion was made to move the question and voted affirmative. The vote was taken on the final figure for the budget of \$2,062,849. The motion was put to a vote and passed. Final budget - \$2,062,849.

The motion to adjourn was made and seconded. This motion was put to a vote.

YS - 81

NO - 39

MEETING ADJOURNED.

BEATRICE G. MARCOTTE
EPPING TOWN CLERK

SELECTMEN'S

1992 ANNUAL REPORT

It was a very busy and productive year for the Board. We are pleased to report that we have a three year plan to clean up the Town's financial deficit and create an appropriate surplus. We have managed to reduce the \$687,309 deficit that has accumulated since 1989 by \$350,000 this year. We were able to achieve this by increasing revenues and by under spending the expenses budget.

To increase accountability, we have updated the Town's computer system. We have the auditors coming in quarterly to keep close track on Town financial reports. For the first time in years, the year ending audit will be in the Town Annual Report.

1992 can be marked as the turning point for the Town's financial position and management direction.

We ask for your support on the Warrant article to raise \$80,000 to fund the cost to update our Town's revaluation. This will allow the Town to keep properties valuations up to date without spending \$160,000 to do a total revaluation.

We would like to thank all Town's people, volunteers and employees for their continued support to the community of Epping.

In closing, positive things can be achieved in 1993, but much is up to you, the people, you are the government, you can make the difference.

Many Thanks

Sincerely

Michael Jean (Chr)
Eileen Murphy (former Selectman)
Kim Sullivan
Roger Gauthier

SCHEDULE OF TOWN OWNED PROPERTY

<u>DESCRIPTION</u>	<u>ESTIMATED VALUE</u>
TOWN HALL (land and buildings)	340,000
Furniture and Equipment	100,000
LIBRARY(land and building)	150,000
Furniture and Equipment	35,000
POLICE DEPARTMENT EQUIPMENT	130,00
FIRE DEPARTMENT (land and buildings)	215,000
Furniture and Equipment	220,000
HIGHWAY DEPARTMENT DEQUIPMENT	100,000
PARKS, COMMONS AND PLAYGROUNDS	230,000
WATER FACILITIES	110,000
SEWER FACILITIES	660,000
SCHOOLS (land and buildings)	690,000
Furniture and Equipment	4,600,000
CONSERVATION LAND	850,000
SOLID WASTE TREATMENT FACILITY	880,000
ALL OTHER TOWN OWNED PROPERTY	580,000

TAX RATE COMPUTATION

<u>TOTAL TOWN APPROPRIATIONS</u>	2,062,849		
LESS Revenues and Credits	759,264		
ADD: Overlay	132,340		
ADD: War Service Credits	<u>44,503</u>		
SUB TOTAL	1,480,428		
LESS: Shared Rev. Returned to Town	<u>27,857</u>		
APPROVED TOWN TAX EFFORT		1,452,571	
MUNICIPAL TAX RATE			8.26
 <u>DUE TO LOCAL SCHOOL DISTRICT</u>	 4,185,903		
SUB TOTAL	<u>4,185,903</u>		
LESS: Shared Rev. Returned to Town	<u>86,452</u>		
APPROVED SCHOOL TAX EFFORT		4,099,451	
SCHOOL TAX RATE			17.66
 <u>DUE TO COUNTY</u>	 221,403		
LESS: Shared Rev. Returned to Town	<u>5,763</u>		
APPROVED COUNTY TAX EFFORT		215,640	
COUNTY TAX RATE			<u>0.93</u>
COMBINED TAX RATE			24.85

	PROOF OF RATE	
Net Assessed Value	Tax Rate	Assessment
232,099,068	24.85	5,767,662

SUMMARY INVENTORY OF VALUATION

VALUE OF LAND ONLY

	\$
Residential (9,015 acres)	98,988,037
Current Use (9,766 acres)	1,648,415
Commercial (641 acres)	10,477,950
TOTAL LAND VALUE	\$111,114,402
Tax Exempt & Non-Taxable (\$5,365,900)	

VALUE OF BUILDINGS ONLY

Residential	\$107,345,015	
Manufactured Housing	11,258,155	
Commercial/Industrial	6,589,600	
TOTAL TAXABLE BUILDINGS		\$ 25,192,770
Tax Exempt & Non-Taxable (\$7,936,540)		

PUBLIC UTILITIES \$ 3,042,000

VALUATION BEFORE EXEMPTIONS: **\$239,349,172**

Blind Exemption (Number 6)	\$ 81,220
Elderly Exemption (Number 111)	5,150,000
Church Exemptions (Number 11)	2,018,884
TOTAL AMOUNT OF EXEMPTIONS	\$ 7,250,104

NET VALUATION ON WHICH TAX RATE IS COMPUTED	\$232,099,06
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TAX CREDITS

Paralegic	1	Exempt
Totally and permanently disabled	4	5,600
Other War Service Credits	300	30,000
Other Credits	1	8,902
TOTAL NUMBER AND AMOUNT	306	44,502

ELDERLY EXEMPTION COUNT

59	People at \$40,000 =	\$ 2,360,000
33	People at \$50,000 =	\$ 1,650,000
19	People at \$60,000 =	\$ 1,140,000

TOTAL 111 **5,150,000**

CURRENT USE REPORT

Farm Land	1,792	Acres
Forest Land	6,918	Acres
Unproductive Land	19	Acres
Wet Land	1,035	Acres

STATEMENT OF APPROPRIATIONS

GENERAL GOVERNMENT

	\$
Executive	116,070
Election, Registration and Vital Statistics	19,900
Financial Administration	72,072
Revaluation of Property	10,000
Legal Expenses	50,000
Planning and Zoning	43,406
General Government Building	26,400
Cemeteries	800
Insurance	58,900
Advertising and Regional Associations	6,216

PUBLIC SAFETY

Police	299,094
Ambulance	77,110
Fire	72,967
Code Enforcement	39,794

HIGHWAYS AND STREETS

Highways and Streets	177,774
Street Lighting	14,000

SANITATION

Solid Waste Collection	27,240
Solid Waste Disposal	172,500
Recycling Center	20,690
Sewer Fund	125,175

WATER DISTRIBUTION AND TREATMENT

Water Treatment	62,800
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HEALTH

Animal Control	3,000
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WELFARE

Direct Assistance	43,100
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CULTURE AND RECREATION

Parks and Recreation	19,912
Library	29,170
Patriotic Purposes	500

Appropriations (continued)

CONSERVATION

Purchase of Natural Resources	2,000
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ECONOMIC DEVELOPMENT

Economic Development	750
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DEBT SERVICE

Principle-Long Term Bonds and Notes	161,000
Interest on Long Term Bonds and Notes	51,833
Interest on T.A.N.	150,000

CAPITAL OUTLAY

Warrant Articles	108,656
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TOTAL APPROPRIATIONS

2,062,849

SOURCE OF REVENUE

TAXES

Land Use Change Taxes	10,000
Yield Taxes	3,000
Interest and Penalties on Delinquent Taxes	100,500

LICENSES, PERMITS AND FEES

Business Licenses and Permits	8,300
Motor Vehicle Permit Fees	275,000
Other Licenses, Permits and Fees	19,800

CHARGES FOR SERVICES

Income from Departments	123,755
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MISCELLANEOUS REVENUES

Sale of Municipal Property	25,000
Interest on Investments	5,000
Other	32,848

INTERFUND OPERATING TRANSFERS IN

Enterprise Fund - Sewer	125,175
Enterprise Fund - Water	62,800

TOTAL REVENUES AND CREDITS

1,053,978

MS-9	Report of the Trust Funds of the City or Town of EPPING, NEW HAMPSHIRE														INTEREST				December 31, 1992			
	NAME OF TRUST FUND				USE	HOW INVESTED	PRINCIPAL				INCOME		Expended for Yr.	Balance End Yr.	P & I.							
							Balance Beg. Yr.	New Funds	Withdraw	Balance End. Yr.	Balance Beg. Yr.	Amount			End Yr.	End Yr.						
	DATE				%																	
1898	Lovell J. Brock	CBL	Com. Trust. #1	0.25%	122.51	827.59	122.51	211.63	0.47%	14.54	226.17	14.54	348.68									
1899	George W. Plumer	CPC	Com. Trust. #1	1.72%	857.59	1,331.50	857.59	1,331.50	2.58%	80.18	1,411.69	2,269.28										
1902	Elijah Gardner Jones	CBL	Com. Trust. #1	0.25%	122.51	122.51	122.51	130.45	0.30%	9.15	139.60	262.11										
1903	Mary S. Burnham	CBL	Com. Trust. #1	0.12%	61.26	61.26	61.26	109.65	0.22%	6.81	116.47	177.73										
1904	Rufus H. Smith	TWP	Com. Trust. #1	5.41%	2,703.71	190.77	2,703.71	190.77	4.00%	120.62	190.77	2,824.33										
1905	Hannah Durgin	RDT	Com. Trust. #1	0.25%	122.51	122.51	122.51	301.85	0.46%	14.30	316.14	438.65										
1906	Lydiah W. Ladd	CCC	Com. Trust. #1	2.45%	1,225.14	732.79	1,225.14	732.79	2.29%	70.45	803.24	2,028.38										
1908	Horace W. Langley	CBL	Com. Trust. #1	1.23%	612.57	1,519.43	612.57	1,519.43	2.66%	83.28	1,602.71	2,125.28										
1908	Mary E. Burnham	CBL	Com. Trust. #1	0.25%	122.51	122.51	122.51	256.23	0.47%	14.54	270.77	393.28										
1913	Wm. A. Cudworth	CBL	Com. Trust. #1	0.12%	61.26	61.26	61.26	110.77	0.22%	6.81	117.59	178.85										
1914	J. C. Bennett	CBL	Com. Trust. #1	0.18%	91.89	185.92	91.89	185.92	0.34%	10.75	196.66	288.55										
1915	Annie M. Pike	CBL	Com. Trust. #1	0.18%	91.89	185.92	91.89	185.92	0.34%	10.75	197.57	289.46										
1915	Walter Little	CBL	Com. Trust. #1	0.18%	91.89	185.92	91.89	185.92	0.34%	10.75	196.66	288.55										
1916	Celia Stevens	CBL	Com. Trust. #1	0.25%	122.51	122.51	122.51	58.99	0.18%	5.54	64.54	187.05										
1917	Abbie T. Spaulding	CBL	Com. Trust. #1	0.37%	183.77	106.58	183.77	106.58	0.27%	8.20	114.78	296.55										
1918	Elizabeth A. Edgerly	CBL	Com. Trust. #1	0.12%	61.26	61.26	61.26	110.84	0.22%	6.81	117.66	178.92										
1918	Flozz Fund	STC	Com. Trust. #1	0.25%	122.51	8.64	122.51	8.64	0.18%	5.54	14.19	136.70										
1920	James A. Corning	CBL	Com. Trust. #1	0.25%	122.51	260.83	122.51	260.83	0.47%	14.78	275.61	396.12										
1920	Rebecca J. Foss	CBL	Com. Trust. #1	0.25%	122.51	256.87	122.51	256.87	0.47%	14.59	271.46	393.97										
1922	Hosea B. Burnham	S&L	Com. Trust. #1	12.26%	6,125.70	432.22	6,125.70	432.22	9.05%	277.21	432.22	6,402.91										
1923	Erma Clarage	CBL	Com. Trust. #1	0.25%	122.51	257.47	122.51	257.47	0.47%	14.59	272.06	394.57										
1923	Sarah F. Wright	CBL	Com. Trust. #1	0.25%	122.51	257.47	122.51	257.47	0.47%	14.59	272.06	394.57										
1923	Bessie A. Miles	CBL	Com. Trust. #1	0.25%	122.51	257.48	122.51	257.48	0.47%	14.59	272.07	394.58										
1926	Carrie E. Norris	CBL	Com. Trust. #1	0.25%	122.51	201.36	122.51	201.36	0.36%	11.27	212.63	335.14										
1926	Carrie E. Norris	CBL	Com. Trust. #1	0.25%	122.51	259.94	122.51	259.94	0.47%	14.68	274.62	397.13										
1926	Fred H. Johnson	CBL	Com. Trust. #1	0.25%	122.51	255.23	122.51	255.23	0.47%	14.54	269.77	393.28										
1926	Linda Tarbox	CBL	Com. Trust. #1	0.25%	122.51	256.23	122.51	256.23	0.47%	14.54	270.77	393.28										
1926	Asa Roble	CBL	Com. Trust. #1	0.49%	245.02	640.62	245.02	640.62	1.07%	33.60	674.22	919.24										
1926	Caleb & Mary French	PLB	Com. Trust. #1	28.21%	14,102.10	995.02	14,102.10	995.02	20.84%	638.18	995.02	14,740.28										
1927	Isabell Bartlett	CBL	Com. Trust. #1	0.25%	122.51	256.25	122.51	256.25	0.47%	14.54	270.79	393.28										
1928	John O. Edgerly	CBL	Com. Trust. #1	0.25%	122.51	251.39	122.51	251.39	0.42%	12.95	264.34	386.85										
1929	James A. Johnson	CBL	Com. Trust. #1	0.49%	245.02	582.19	245.02	582.19	1.00%	31.29	613.48	858.50										
1929	Jacob H. Tilton	CBL	Com. Trust. #1	0.25%	122.51	257.73	122.51	257.73	0.47%	14.64	272.37	394.88										
1929	Frank A. Miles	CBL	Com. Trust. #1	0.12%	61.26	110.66	61.26	110.66	0.22%	6.81	117.48	178.74										
1929	Levi Thompson	CBL	Com. Trust. #1	0.25%	122.51	256.24	122.51	256.24	0.47%	14.54	270.78	393.29										
1930	Lizzie Rundlett	CBL	Com. Trust. #1	0.25%	122.51	266.37	122.51	266.37	0.48%	14.97	281.35	403.86										
1932	Daniel Cale	CBL	Com. Trust. #1	0.25%	122.51	255.64	122.51	255.64	0.47%	14.54	270.18	392.69										
1933	George Hopkinson	CBL	Com. Trust. #1	0.25%	122.51	285.64	122.51	285.64	0.47%	14.54	270.18	392.69										
1933	Mary E. P. Sanborn	TWP	Com. Trust. #1	15.39%	7,685.43	542.27	7,685.43	542.27	11.36%	337.80	542.27	8,032.23										
1934	Mary E. P. Sanborn	CBL	Com. Trust. #1	0.49%	245.02	634.22	245.02	634.22	1.07%	33.31	667.53	912.55										

MS-9 Report of the Trust Funds of the City or Town of EPPING, NEW HAMPSHIRE										December 31, 1992			
DATE	NAME OF TRUST FUND	USE	HOW INVESTED	%	PRINCIPAL			INTEREST			Expended for Yr.	Balance End Yr.	P. & I. End Yr.
					Balance Beg. Yr.	New Funds	Withdraw End. Yr.	Balance Beg. Yr.	%	Amount			
1934	Almon L. True	CBL	Com. Trust #1	0.25%	122.51			122.51	0.47%	14.78		275.62	398.13
1935	Sarah P. Prescott	CBL	Com. Trust #1	0.55%	275.65			196.69	0.41%	12.47		209.16	484.81
1940	Hattie Trask Blake	CBL	Com. Trust #1	0.31%	153.14			93.34	0.23%	6.93		100.27	253.41
1941	Hattie Chase	CBL	Com. Trust #1	0.25%	122.51			122.51	0.47%	14.59		271.08	393.59
1943	George B. True	Fam	Com. Trust #1	0.25%	122.51			122.51	0.47%	14.68		317.72	440.23
1943	Joseph A. Edgerly	CBL	Com. Trust #1	0.49%	245.02			245.02	0.81%	25.28		544.25	789.27
1943	Marcus M. Taylor	CBL	Com. Trust #1	0.49%	245.02			245.02	1.04%	32.54		890.22	645.20
1943	Frank B. Blaisdell	CBL	Com. Trust #1	0.25%	122.51			122.51	0.48%	15.02		282.55	405.06
1945	Matthew J. Harvey	CBL	Com. Trust #1	0.25%	122.51			122.51	0.51%	15.89		366.12	488.63
1946	Charles E. Gear	CBL	Com. Trust #1	1.23%	612.57			1,754.02	2.92%	91.32		1,845.34	2,457.91
1946	Millon J. Bly	CBL	Com. Trust #1	0.25%	122.51			122.51	0.48%	15.02		281.55	404.06
1947	Cyrus Sanborn	CBL	Com. Trust #1	0.49%	245.02			245.02	1.00%	31.29		611.92	856.94
1950	Able M. Norris	CBL	Com. Trust #1	0.49%	245.02			245.02	1.01%	31.49		617.24	862.26
1951	IM&C Purlington	CBL	Com. Trust #1	0.49%	245.02			245.02	0.98%	30.72		596.89	841.91
1952	Elizabeth Beals	CBL	Com. Trust #1	0.49%	245.02			245.02	1.04%	32.54		646.33	891.35
1952	Myra E. S. Green	CBL	Com. Trust #1	0.25%	122.51			122.51	0.18%	5.54		83.01	205.52
1952	George E. Beede	CBL	Com. Trust #1	0.74%	367.54			1,107.57	1.68%	52.57		1,160.14	1,527.68
1954	William Feldsend	CBL	Com. Trust #1	0.25%	122.51			122.51	0.47%	14.68		273.03	395.54
1958	Frank Willard	CBL	Com. Trust #1	0.74%	367.54			922.36	1.56%	48.72		971.08	1,338.62
1960	Wiggin Fund	Fam	Com. Trust #1	0.49%	245.02			245.02	0.36%	11.09		186.11	431.13
1960	Blanche R. Purlington	CBL	Com. Trust #1	0.74%	367.54			779.00	1.50%	47.04		828.04	1,193.58
1968	John J. Tilton	CBL	Com. Trust #1	0.25%	122.51			122.51	0.45%	14.11		257.69	380.20
1974	Georgia Chase	Fam	Com. Trust #1	0.16%	81.93			175.63	0.29%	9.19		184.82	266.75
1976	John & Minnie Warren	CBL	Com. Trust #1	0.98%	490.05			835.41	1.59%	49.50		884.91	1,374.96
1976	Matthew Harvey	CBL	Com. Trust #1	0.25%	122.51			122.51	0.40%	12.62		263.82	386.33
1982	Central Cemetery	CCC	Com. Trust #1	8.59%	4,288.10			1,568.55	7.38%	227.00	150.00	1,745.54	6,033.64
1983	Miriam Jackson Park	MJP	Com. Trust #1	4.45%	2,225.25			567.74	3.29%	100.70	150.00	518.44	2,743.69
1983	Fred Johnson	CBL	Com. Trust #1	0.25%	122.51			122.51	0.26%	8.14		98.06	220.57
	COMMON TRUST #1 TOTALS				49,984.09			28,527.75		3086.07	2,460.28	29,153.54	79,137.63
OTHER GENERAL TRUST FUNDS:													
1988	Ladd Family Fund	Fam	1st NH Sav.		800.00			800.00		25.35		172.30	972.30
1989	Hist.Soc. C.F. #1	CAC	1st S&L CD		3,000.00			467.67		233.63		701.30	3,701.30
1990	Hist.Soc. C. F. #2	CAC	1st NH CD		1,500.00			105.34		115.4		220.74	1,720.74
1991	Hist. Soc. C. F. #3	CAC	1st NH CD		1,700.00			1,700.00		72.59		72.59	1,772.59
1992	Hist. Soc. C. F. #4	CAC	NDB CD		1,200.00			1,200.00					
1989	Karen Bickford Mem.	SCH	1st NH CD & Sav.		6,831.00			10,513.00		343.38	303.00	671.26	11,184.26
1993	M E P. Sanborn Land	TWP	Land		136,400.00			136,400.00		11679.72	11,679.72		136,400.00
CAPITAL RESERVE FUNDS													
1991	School Dist. CRF	Bus	1st S&L CD		10,000.00			10,000.00		569.77		858.20	10,858.20

MS-10	Report of the Common Trust Fund Investments of the City or Town of EPPING, N.H.										December 31, 1992	
	HOW INVESTED	PRINCIPAL			INCOME			GRAND TOTAL				
No.	Description	Balance Beg. Year	Purchases	Proceeds of Sales	Gain from Sales	Balance End Year	Income This Year	Expended This Year	Balance End Year	P. & I. End of Year		
	Common Trust #1:	49,984.10	7,730.83	7,730.83		49,984.10	3,087.92	2,460.28	29,155.39	79,139.49		
	PRINCIPAL											
	Fidelity Daily Income Fund	19,999.63				19,999.63	565.32	565.32		19,999.63		
	NDB CD 062-343-983	4,500.00				4,500.00	186.62	186.62		4,500.00		
	NDB CD 062-340-047	11,710.77				11,710.77	473.24	473.24		11,710.77		
	NDB CD 062934-484	6,042.87				6,042.87	307.64	307.64		6,042.87		
	1st S & L CD 01-45-000011	7,730.83		7,730.83		7,730.83	697.19	697.19		7,730.83		
	1st S & L CD 02-42-000055		7,730.83									
	TOTALS, Principal	49,984.10	7,730.83	7,730.83		49,984.10	2,230.01	2,230.01		49,984.10		
	ALL INCOME											
	NDB CD 062-343-983	399.59				399.59	16.57	16.57		399.59		
	1st S & L CD 01-45-000011	4,769.17		4,769.17			430.10	430.10				
	1st S & L CD 02-42-000055		5,896.46			5,896.46				5,896.46		
	1st S & L CD 02-41-002358	12,000.00	411.24			12,411.24	411.24	411.24		12,411.24		
	TOTALS, All Income	17,168.76	6,307.70	4,769.17		18,707.29	857.91	857.91		18,707.29		
	Cash or Equiv.											
	TOTAL INCOME					10,446.25						
						29,153.54						
	TOTAL Invested	67,152.86	14,038.53	12,500.00		68,691.39	3,087.92	3,087.92				

EPHING POLICE DEPARTMENT

ANNUAL REPORT

We experienced a tremendous increase in calls in 1992 compared to previous years. Although the Department was forced to cut back on normal services, we managed to maintain sufficient coverage without compromising public safety. Because of the Town's current financial situation, we made a strong effort to make cuts wherever possible with the least impact on service. I remain committed to the residents of Epping to provide the best service possible at all times.

1992 marked the beginning of a new program introduced to the local school system. Officer Christopher Dittmar, who is a certified D.A.R.E. (Drug Abuse Resistance Education) instructor, began a seventeen week program with the Sixth Grade Class. He educated the children in the resistance of drug and alcohol abuse along with teaching them to build self-esteem, how to deal with stress, how to make wise decisions and how to resist peer pressure. One of the important lessons he teaches the students is that they have rights, one of which is the right to **SAY NO TO DRUGS**. His program is thoughtfully put together to help keep children off drugs and to develop a good and comfortable relationship with the police. We are teaching them that a police officer is someone they can trust and depend on at all times. We are proud of our success with D.A.R.E. and take this opportunity to publically thank the local business people who continue to support us and this very worthwhile program. Officer Dittmar is to be commended for his time, effort and fine success.

As always - I continue to encourage the citizens of Epping to do their part by reporting all crimes and suspicious activity. Even if you are not sure a crime is being committed, just the fact that something is wrong or you have doubts, is reason enough to give us a call. Help us do our job and perhaps we can prevent a crime instead of solve it. We can be reached twenty-four hours a day by dialing **679-5122** or **679-2225**. Please put these important numbers permanently near your phone and teach everyone in the home how and when to use them.

There are some new tougher DWI laws that are intended to keep our roads safer. Officers are now mandated to take licenses of suspected drunk drivers if they refuse an alcohol test or take a test and their breath alcohol is .10 or more (or if they are under age 21, .04 or more). A temporary 30 day license is then issued, a person's license is suspended administratively exclusive of any court imposed suspension after successful presentation in a court of law. More information on the new DWI laws is available at the Station. Keep 1993 a safe one, don't drink and drive and always have a designated driver.

Respectfully submitted:
Gregory C. Dodge
Chief of Police

FIRE DEPARTMENT

ANNUAL REPORT

The year 1992 proved to be another busy one for the Epping Fire Department, totally over six hundred calls for fire and ambulance combined.

Total Fire Calls	207	100%
Daytime Calls (7:00a.m. - 4:00p.m.)	77	39
All Other Calls	132	61%
Total Ambulance Calls	395	100%
Daytime Calls (7:00a.m. - 4:00p.m.)	154	39%
All Other Calls	241	61%

A special thank-you goes out to all the members and families who make this accomplishment possible.

I also wish to express my thanks to the Townspeople of Epping for their continued support and donations.

We have learned that the combined effort of the two full-time people during the day, and the volunteers after those hours, is the best way to serve the people of Epping. The cost of all this reflects about \$.55 per \$1,000 valuation, so a house valued at \$100,000 would pay \$55.00 per year to have twenty-four hour, seven day a week ambulance and fire coverage.

This year, we started billing non-residents and so far have collected over \$10,000 to help offset the Town deficit. Donations for ambulance have topped the \$4,000 mark.

Please feel free to call upon the two full-time people during the day for whatever assistance they may be able to give you. After hours, you may call the Sheriff's Department and they will put you in touch with someone to assist you.

Please remember to inspect your smoke detectors and replace batteries as needed, and for people who burn wood, have your chimney cleaned and inspected often.

I look forward to working with you in the upcoming year.

Sincerely,

Richard Marcotte

Chief, Epping Fire Department



(Left to Right) Henry Letourneau, Fred Fallon, Richard Marcotte, Kevin Zukas

On August 21, 1992, the Epping Fire Department was dispatched to a motor vehicle accident involving a passenger car and a tractor trailer. When they arrived on the scene, they found two Brentwood Ambulance Attendants assisting the one victim, Gloria Carney of Raymond. Epping Firefighters; Christina Bertogli, Glenn Cray, Dave Pevear and Brian Toomire used the Hurst Tool (Jaws of Life) to extricate Mrs. Carney. Firefighter/EMT Intermediate; Henry Letourneau, Firefighter/Ambulance Attendant; Fred Fallon, Fire Chief/EMT; Richard Marcotte and Firefighter/EMT Intermediate; Kevin Zukas (pictured above) worked to stabilize the victim, administer intravenous fluids, and transport her to the Hospital. The many hours and devotion to their job paid off as a victim of a very serious accident was saved.



Tom Gauthier, Wayne Bertogli and Marc Nickerson

will be attending the 1993 National Boy Scout Jamboree this Summer with their Scoutmaster; Clifton Cray. The Jamboree will be held at Fort A.P. Hill, Virginia. The opportunity to attend a Jamboree is usually once in a lifetime as National Jamborees are held every four years. Daniel Webster Council BSA will sponsor 108 boys and 13 adults from New Hampshire.

Submitted by Cliff Cray
Picture by Cliff Cray

PLANNING BOARD

ANNUAL REPORT

The Epping Planning Board had a quiet year. The continued downturn in the economy and the overall banking and financial situation not only precluded significant development in this area, but also forced the cancellation of several approved projects. Boston North, Riverfront (Blake Road) and Riverslea (North River Road) have been rescinded, while Plumer Court and Sweet Meadows have been foreclosed upon and sold. A re-application would be required for these projects to proceed with further development.

On a more positive note, several projects received or are near final approval. Wheelabrator now has the needed permits from the New Hampshire Wetlands Board and U.S. Army Corps of Engineers for the Commerce park. The plan lacks only an amendment allowing the use of individual septic systems, a change necessitated by a State directive (Water & Sewer can no longer guarantee reserve capacity). The SIGARMS application for a small arms training/firing range was approved subject to various conditions plus the receipt of the required security. This range will be used exclusively for training of Federal, State and local law enforcement agencies from across the country and will not be open to the public. The facility will consist of an enclosed firing range and a mock "city street" range as well as a classroom building. The Planning Board required very detailed noise studies and numerous mitigation measures in the final plan to minimize any impact on the surrounding area. Another project requiring noise studies is the New England Dragway who is proposing to lengthen the drag strip and enlarge the parking area. A large earth berm, constructed from the existing hill, is also proposed to help buffer the neighbors from the sound.

The widening of Route 101 (scheduled for Epping in the Spring of 1993) is already having an impact. John Grammas met with the Board regarding various development scenarios on his land located adjacent to McDonald's. The service station at the intersection of Route 125 and Route 27 plans to convert one of its service bays into a snack shop and to improve the appearance of the building and site. Additionally, Cumberland Farms has doubled the number of its gas pumps and made several improvements to its site and accessibility.

The Planning Board has several periodic and/or ongoing tasks which require attention. Each year the Master Plan and the Capital Improvements Program were adopted in 1988 and now need revision. Epping's Site Plan and other regulations need continual revision and updating. These tasks will be accomplished as quickly as resources allow. In 1992, the Planning Board kept expenses to a minimum by doing as much work "in house" as possible. This remains our goal for 1993. If you are interested in helping plan Epping's future please contact us. We have openings for alternates. Each year members attend training seminars, workshops and law lectures.

Thank you for your support and confidence. Our aim is to work with everyone to best serve the needs of Epping, now and for the future.

YOUR PLANNING BOARD

CODE ENFORCEMENT OFFICER, BUILDING INSPECTOR AND HEALTH OFFICER

ANNUAL REPORT

In the fields of Code Enforcement, Building Inspector and Health Officer 1992 has been quiet. Epping has yet to experience the upswing as seen in some communities. The continued decline in banking and lack of funding has caused construction of new homes to fall. Although some are being built, progress is slow and steady. In today's market, people are opting to add on and renovate..

The Library handicapped ramp, which I designed and coordinated in building, was completed t an overall savings of \$3,000 to the Town.

On a positive note - the impact of the proposed Spring 1993 start for widening of Route 101 in Epping is already being felt. All stages of commercial projects are on the increase. The Town now has a new flower shop, a dry cleaners, a fruit stand, donut shop, a Chinese restaurant/take out, another hairdresser and used car lot, and a fish market is being proposed.

Throughout the year, I have attended lectures and seminars. The monthly *BOCA Officials Meetings* are invaluable to help keep up with all the latest code information and changes. Copies of code books are now available for review in the Library; Selectmen's Office; Town Clerk's Office; Planning Board office; and this office.

As Health Officer, I addressed and supervised correction of 4 failed septic systems. Continued to review all septic designs prior to submittal to State and performed inspections of new installations. Assisted state representatives with a lead poisoning case. Attended a seminar and received a Certificate of Achievement in the operation of a lead paint analyzer. The Health Officer performs inspections of all foster care cases and day care centers and facilities. Two new day care centers were opened in 1992.

As a member of the Epping Technical Review Committee, I work closely with the Planning Board and Zoning Board of Adjustment. I attend all their meetings, which allows me to follow all phases of an application through to final approval and completion.

As requested by the Board of Selectmen, I attended State Current Use meetings and reviewed all Current Use applications, working closely with the Town Appraiser and Tax Assessor.

I would like to take this opportunity to thank the citizens of Epping for their support and confidence in my endeavors to faithfully serve the needs of the Town to the best of my ability.

Ronald Loiselle
Code Enforcement Officer, Building Inspector
& Health Officer

WELFARE OVERSEER

ANNUAL REPORT

1992 was a year of initiation into Welfare Administration. Instructions from the Selectmen were to gain control of the budget - which was achieved with savings of 20% on appropriations. This was accomplished in spite of the bad economy which kept us busy with increased numbers of people in need. The Town passed a new regulation which was an exemplary step forward. Landlords of public assistance recipients are now required to use rent payments from the Town toward unpaid taxes (if any). Assisted citizens are put on community work programs whenever possible to reimburse the Town. A prime priority is to enlist aid from other agencies who serve the community. Unfortunately, this becomes more difficult as their programs are cut and their budgets diminished.

This report is an opportunity to thank the citizens of Epping and the surrounding area for the support and assistance rendered to the Pratt family during their time of need. You will be pleased to know that they are now comfortably settled into a new home. It is very rewarding to be able to help this family and other truly traumatic cases.

I attended as many lectures, seminars and meetings as possible this year. Not only did it provide valuable information and updates, but it also gave me an opportunity to discuss and compare Epping's programs with other officials from every level statewide. This, in itself, is a valuable tool. One successful outcome was the initiation of the *New Hampshire Interim Assistance Program*. Only with diligence and knowledge can people in need be assisted and our budgets remain at a reasonable and affordable level.

The New Hampshire Municipal Association and Local Welfare Association, monitored by the Legal Aid, recently produced "**Model Welfare Guidelines**" for local officials. This includes sweeping changes and proposals. The Selectman and I are reviewing these changes to see how the needs of Epping can best be served. Several proposals need careful scrutiny because they may increase local responsibilities drastically.

My sincere thanks to the townspeople for their support. I look forward to serving the Community in 1993. If I can be of service to anyone, please call 679-1224.

Ronald Loiselle

HIGHWAY SUPERVISOR'S

ANNUAL REPORT

In 1992, the Highway Department patched potholes, removed several trees, cut brush along the roadsides as well as mowed, cleaned up a lot of litter, swept the downtown streets, installed missing signs and repaired damaged ones, cleaned several culverts and catch basins, graded and graveled dirt roads, assisted in water & sewer repairs and of course winter maintenance trying to keep up with Mother Nature who tends to deposit more freezing rain then snow in recent years. This is more difficult for the Town and the traveler. We remind everyone to remember to "drive according to the conditions of the road".

It helps us when citizens call the Town office at 679-5441 when they observe potential or actual problems in the Town's right-of-way. Your observations help us to monitor all areas and take care of small problems before they become major ones. Home owners are very helpful when they make it a part of their normal yard work to keep their driveway culverts clear of leaves and debris. Keep up the good work.

The Highway employees completed Defensive Driving Courses this year as well as attended seminars on trench digging and safety & traffic control. This training is a wise investment in time for the safety of the employees and reduced insurance rates.

As always, we have an excellent preventive maintenance program in effect. Here is a list of the equipment the Town now owns and it's condition:

- 1986 John Deere tractor with attachments - excellent condition
- 1984 1/2-ton Cevy pickup truck - good condition
- 1971 3/4-ton Ford pickup truck with plow and sander - good condition
- 1990 Caterpillar Loader & Backhoe with plow - excellent condition
- 1988 1-ton Dump truck with sander & plow - excellent condition

The Highway shed, Transfer Station, Compactor Containers and Water & Sewer buildings. were painted and stained this year by youths on the *Job Training Program*. The only cost to the Town was the materials. The youths did a great job and we're hoping the program is available again next Summer. It helps everybody.

Kevin Hammond
Highway Supervisor

RECYCLING - TRANSFER STATION - STUMP DUMP

ANNUAL REPORT

The Re-Cycling Department now has an insulated building which is heated by a waste oil burner. This drastically reduced the heating bill, as the old system was propane. Items now processed at the facility are:

- 1) Three different colored glass;
- 2) Tin & aluminum cans;
- 3) Loose newsprint;
- 4) Waste oil;
- 5) Cardboard;
- 6) Salvation Army containers for used clothing; and
- 7) Swap Shop area.

All processed items receive mill numbers through New Hampshire Resource Recovery Association. Items are hauled as far as New York for reprocessing. All crushers, balers and equipment are in the preventative maintenance program, and are in excellent shape.

The Transfer Station Department had a facelift this Summer. The building compactors and containers were all scraped down, primed and re-painted. All are in the preventative maintenance program and are in excellent shape.

The Stump Dump Department now has a small new insulated building, with a heater. It is now located at the gate entrance to allow the attendant to better monitor dump stickers, incoming loads and designate the correct section for each load. Valid dump stickers are necessary for all residents and are available from the Town Clerk for \$1.00. The dump hours of operation are:

Wednesday - 12 noon - 4:00 p.m.

Saturday and Sunday - 9:00 a.m. - 4:00 p.m.

Thank you to all the Town officials, employees and citizens for allowing me the opportunity to accept the challenges which arose during 1992. I am looking forward to 1993.

Kevin Hammond
Supervisor

HARVEY-MITCHELL MEMORIAL LIBRARY

ANNUAL REPORT

We are happy to report that in 1992, the Library shattered all previous records for circulation and attendance. The Library circulated 15,411 items which is an increase of almost 3,000 over 1991. We had 6,265 people use the Library last year for reading, research and book borrowing. This does not count the scores of people who used the Lydia Ladd Room for various purposes.

With the recession striking New Hampshire so badly, how can this be? Simple, more and more people are opting to borrow rather than buy their print materials. Rather than buy books, magazines and encyclopedias, they are relying on us to provide this service. The Library has had five years of rapid growth in circulation and attendance. Unfortunately, funding has not kept pace with this increase. Our busiest years (1990-1993) were all done without a budget increase. The cost of everything keeps going up. However, if we are to continue the type of service that over 1,500 people in Epping have come to expect, we will need our share of the pie.

RSA #202-A:1 states that "...The Legislature recognizes it's duty to encourage the people of New Hampshire to extend their education during and beyond the years of formal education. To this end, it hereby declares that the Public Library is a valuable supplement to the formal system of free public education and as such deserves adequate financial support from government at all levels." The State per capita for libraries is \$17.00 and Epping's is \$5.00. Are we really providing adequate support?

The Library serves all the people of Epping because it is a free public library. It serves as a cultural and information center for the Town. It is a place of education where students work with tutors to learn to read or obtain badly needed G.E.D's.

I would like to thank everyone in the Friends of the Library for their efforts in raising funds and their hard work on all of this year's projects.

We still had a better year in 1992 than ever before. That is because of the first-rate staff and devoted Board of Trustees. I offer all of them my deepest gratitude for another fabulous job.

Sincerely

Duane E. Shaffer
Library Director

Water & Sewer Commission

1992 ANNUAL REPORT

Activities of the Water and Sewer Commission this year focused on moving ahead with meeting the future utility needs of the Town.

With great reluctance, the Commission instituted a rate increase for both water and sewer users. The Water and Sewer Funds had been running at a deficit for several years operating on cash collected in anticipation of expanding and upgrading both systems. The current rates just barely cover the costs of operating the water system and begins to rebuild some of the dedicated funds of the sewer system.

In the spring we began adding very small amounts of chlorine to the water supply in addition to the poly-phosphates being used to control the iron and manganese in our water supply. We found it to be very successful in reducing the rotten egg odor smell which some customers had reported. We added a water bleeder on the end of the Water Street main to help improve the taste on that dead end line. Looping these dead ended mains is a future goal of the Commission.

In the summer we had the water tower cleaned and inspected by a firm which specializes in such work and were dismayed at the extent of the tower's deterioration. The function of the tower is to regulate the pressure in the system, allow the wells to pump intermittently and provide a reserve of water for fire fighting purposes. We found that the tank is severely pitted and the base of the legs on which it stands are beginning to come apart. The central "spider" which hold the top of the tank together is also corroded. We are recommending that the town replace the tower as it no longer appears to be worth repairing.

In the meantime, at the wastewater lagoons, we introduced horned pout to the system. The horned pout is a kind of catfish which is native to this area and has been very effective in reducing the amount of sludge in other lagoon treatment systems. With our lagoon treatment system it is necessary to shut down and physically remove the accumulated sludge every so often. We hope the horned pout will be able to increase the interval between cleanings.

Our engineering firm continued gathering data for a "river model study" being required by the State as part of the process of renewing the license for the Waste Water Treatment Plant. River flows did not drop far enough and temperatures were too low to collect all the data we wanted this year. It is important to have good data because the indications are that the U.S. EPA and the N.H. Department of Environmental Resources will want to require expensive improvements to the treatment plant as a condition of license renewal.

In the fall, we began a program to replace all the older water meters with meters which can be read from a remote device outside the house. This will let us read meters more

accurately with less disturbance to the structure owner. We also participated in a review of the fire fighting capacity of the Fire Department and the Water system. Both departments did very well and we expect our fire insurance rating to improve as a result.

In 1993, we will begin testing the water system for the presence of copper and lead. We don't expect to find any significant amounts but this testing is mandated by the U.S. EPA. It will cost us about \$2,000 each for two rounds of testing. We will be contacting customers to help us draw the required samples in the spring.

	<u>1990</u>	<u>1991</u>	<u>1992</u>
No. of water customers	290	290	309
No. of sewer customers	324	324	334
Water pumped (gallons)			31,000,000
Wastewater treated (gallons)	59,261,000	55,545,000	52,001,000
Septage received (gallons)		811,000	847,900
Percent removal of waste (85% required)			94%

EPHING CONSERVATION COMMISSION

ANNUAL REPORT 1992

Conservation type programs continued to dominate the Commission's time during 1992. These include the canoe race, fishing derby, conservation easement and training sessions.

The annual canoe race again went off without a problem. Under the direction of Steve Johnson, over 50 canoes entered the race. The weather was cold and so was the water. Some paddled the 7.7 miles while others opted to try and swim it.

The First Annual Fishing Derby, under the direction of Paul Langdon, was held this year. The Derby was at Paul Langdon's pond on Old Nottingham Road and open to all Epping children. The pond is about one acre in size and 230 trout ranging in size from 8 - 15 inches were "stocked" one to two days before the derby. We are happy to report that 49 children fished from 8:00 a.m. to 3:00 p.m. The children were divided into fishing groups according to their age; 5-8, 9-12 and 13-15. Because of its success, the Commission hopes this will be an annual event. It was started to help the younger generations learn an appreciation of the outdoors. Several local businesses donated money to help defer the cost of the trout.



The Wheelabrator Conservation easement along the Piscassic River was formally signed over in 1992. This will help continue to protect one of the finest wetlands we have in the area. Your Commission has the responsibility of monitoring this easement and will be doing baseline studies this year.

Kevin Martin is representing the Commission by serving on the Lamprey River Local Advisory Committee. This Committee is studying the possible designation of the Lamprey as a National Wild and Scenic River. A survey of riverfront landowners is now in progress and includes the towns of Epping, Lee, Durham and Newmarket.

New Hampshire Electric donated and planted a birch tree in Miriam Jackson Park. Thank you New Hampshire Electric.

Two members, Ann Russo and Steve Johnson, attended the annual state Conservation Commission Convention. Also, Kevin Martin attended the Forest Society annual meeting.

R. Judd - Chairman
P. Langdon - Vice Chairman
J. Langdon - Treasurer
S. Johnson - Secretary
B. McPhee - Member
J. McGeough - Member
A. Russo - Member
K. Martin - Alternate
S. Harvey - Alternate





Santa Claus tours through the streets of Epping with his elf, Carol Dodge aboard Epping Fire Department's Engine #3



Unidentified residents of Windsor Lane wave to Santa as he passes by on Christmas Eve.

**TOWN OF EPPING
NEW HAMPSHIRE
FINANCIAL STATEMENTS
DECEMBER 31, 1991**

TOWN OF EPPING

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL PRESENTATION

To the Members of
the Board of Selectmen
Town of Epping
Epping, New Hampshire

We have audited the accompanying general purpose financial statements and the combining and individual fund financial statements of the Town of Epping as of and for the year ended December 31, 1991, as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1B, the general purpose financial statements referred to above do not include the General Fixed Assets Account Group, which should be included to conform with generally accepted accounting principles. The amount that should be recorded in the General Fixed Assets Account Group is not known.

Proprietary fund fixed asset additions were not recorded in 1991, and fixed assets records are not maintained. Previous auditors' workpapers were utilized for the presentation of figures for this financial report.

The Town Clerk did not maintain a cash journal for the recording of motor vehicle permits, dog licenses and other various permits issued in 1991. Total revenues deposited with the Town Treasurer amounted to approximately \$295,000. We were unable to perform a testing of this revenue source.

In our opinion, except for the effects on the financial statements of the matters referred to in the third through fifth paragraphs of this report, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Epping as of December 31, 1991, and the results of its operations (and cash flows of proprietary fund types and nonexpendable trust funds) for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds of the Town as of December 31, 1991, and the results

Town of Epping

Independent Auditor's Report on Financial Presentation

of operations of such funds for the year then ended in conformity with generally accepted accounting principles.

April 8, 1992

*Olafik & Sanderson
Professional Association*

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

EXHIBIT A
TOWN OF EPPING
Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1991

<u>ASSETS AND OTHER DEBITS</u>	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
<u>Assets</u>		
Cash and Equivalents	\$ 50,834	\$21,953
<u>Receivables (Net of</u>		
<u>Allowances for Uncollectibles)</u>		
Interest		82
Taxes	2,654,968	
Accounts	8,141	
Intergovernmental	15,304	
Interfund Receivable	33,157	
Prepaid Items	25,894	
Fixed Assets		
Accumulated Depreciation		
<u>Other Debits</u>		
Amount to Be Provided for		
Retirement of General Long-Term Debt	_____	_____
 TOTAL ASSETS AND OTHER DEBITS	 <u>\$2,788,298</u>	 <u>\$22,035</u>

<u>Proprietary Fund Type</u>		<u>Fiduciary</u>	<u>Account Group</u>	<u>Total</u>
<u>Enterprise Funds</u>		<u>Fund Types</u>	<u>General</u>	<u>(Memorandum Only)</u>
<u>Water</u>	<u>Sewer</u>	<u>Trust and</u>	<u>Long-Term</u>	<u>December 31,</u>
<u>Department</u>	<u>Department</u>	<u>Agency</u>	<u>Debt</u>	<u>1991</u>
\$ 1,353	\$ 18,060	\$102,956	\$	\$ 195,156
				82
				2,654,968
33,823	76,159			118,123
				15,304
	19,998			53,155
				25,894
235,241	2,038,260			2,273,501
(21,608)	(557,795)			(579,403)
			<u>789,480</u>	<u>789,480</u>
<u>\$248,809</u>	<u>\$1,594,682</u>	<u>\$102,956</u>	<u>\$789,480</u>	<u>\$5,546,260</u>

EXHIBIT A (Continued)
TOWN OF EPPING
Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1991

<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
<u>Liabilities</u>		
Accounts Payable	\$ 110,880	\$ 214
Accrued Interest Payable	65,550	
Accrued Payroll and Benefits	12,148	
Intergovernmental Payable	1,986,005	
Interfund Payable		30
Escrow and Performance Deposits		
Tax Anticipation Notes Payable	1,300,000	
General Obligation Debt Payable		
Capital Leases Payable		
Total Liabilities	<u>3,474,583</u>	<u>244</u>
<u>Equity and Other Credits</u>		
Contributed Capital		
<u>Retained Earnings</u>		
Reserved for Special Purposes		
Unreserved		
<u>Fund Balances</u>		
Reserved for Endowments		
Reserved for Encumbrances	1,024	
Reserved for Special Purposes		132
<u>Unreserved</u>		
Designated for Special Purposes		21,659
Undesignated (Deficit)	(687,309)	
Total Equity and Other Credits	(686,285)	<u>21,791</u>
 TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	 <u>\$2,788,298</u>	 <u>\$22,035</u>

<u>Proprietary Fund Type</u>		<u>Fiduciary</u>	<u>Account Group</u>	<u>Total</u>
<u>Enterprise Funds</u>		<u>Fund Types</u>	<u>General</u>	<u>(Memorandum Only)</u>
<u>Water</u>	<u>Sewer</u>	<u>Trust and</u>	<u>Long-Term</u>	<u>December 31,</u>
<u>Department</u>	<u>Department</u>	<u>Agency</u>	<u>Debt</u>	<u>1991</u>
\$ 263	\$ 5,707	\$	\$	\$ 117,064
				65,550
				12,148
		10,288		1,996,293
40,678	12,447			53,155
		659		659
				1,300,000
			753,000	753,000
			36,480	36,480
<u>40,941</u>	<u>18,154</u>	<u>10,947</u>	<u>789,480</u>	<u>4,334,349</u>
	1,490,686			1,490,686
	32,437			32,437
207,868	53,405			261,273
		92,009		92,009
				1,024
				132
				21,659
				(687,309)
<u>207,868</u>	<u>1,576,528</u>	<u>92,009</u>	<u></u>	<u>1,211,911</u>
\$248,809	\$1,594,682	\$102,956	\$789,480	\$5,546,260

The notes to the financial statements are an integral part of this statement.

EXHIBIT B
TOWN OF EPPING
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended December 31, 1991

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>December 31, 1991</u>
<u>Revenues</u>			
Taxes	\$5,225,743	\$	\$5,225,743
Licenses and Permits	294,030		294,030
Intergovernmental	271,301		271,301
Charges for Services	144,173	21,783	165,956
Miscellaneous	53,644	1,817	55,461
<u>Other Financing Sources</u>			
Operating Transfers In	<u>13,215</u>	<u>29,353</u>	<u>42,568</u>
<u>Total Revenues and Other Financing Sources</u>	<u>6,002,106</u>	<u>52,953</u>	<u>6,055,059</u>
<u>Expenditures</u>			
<u>Current</u>			
General Government	467,227		467,227
Public Safety	406,355	810	407,165
Highways, Streets, Bridges	219,459	17,000	236,459
Sanitation	201,051		201,051
Health	85,968		85,968
Welfare	60,234		60,234
Culture and Recreation	33,561	29,770	63,331
Miscellaneous		52	52
Capital Outlay	82,815		82,815
<u>Debt Service</u>			
Principal	161,000		161,000
Interest	201,213		201,213
Intergovernmental	4,210,792		4,210,792
<u>Other Financing Uses</u>			
Operating Transfers Out	<u>38,780</u>		<u>38,780</u>
<u>Total Expenditures and Other Financing Uses</u>	<u>6,168,455</u>	<u>47,632</u>	<u>6,216,087</u>
<u>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</u>	(166,349)	5,321	(161,028)
<u>Fund Balances - January 1 (As Restated Note 7)</u>	(519,936)	16,470	(503,466)
<u>Fund Balances - December 31</u>	<u>(\$ 686,285)</u>	<u>\$21,791</u>	<u>(\$ 664,494)</u>

The notes to the financial statements are an integral part of this statement.

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EXHIBIT C
TOWN OF EPPING
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General and Special Revenue Funds
For the Fiscal Year Ended December 31, 1991

	General Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$5,048,068	\$5,225,743	\$177,675
Licenses and Permits	306,000	294,030	(11,970)
Intergovernmental	261,927	271,301	9,374
Charges for Services	147,598	144,173	(3,425)
Miscellaneous	121,000	53,644	(67,356)
<u>Other Financing Sources</u>			
Operating Transfers In	12,313	13,215	902
<u>Total Revenues and</u>			
<u> Other Financing Sources</u>	<u>5,896,906</u>	<u>6,002,106</u>	<u>105,200</u>
<u>Expenditures</u>			
<u>Current</u>			
General Government	363,887	467,227	(103,340)
Public Safety	393,525	406,355	(12,830)
Highways, Streets, Bridges	229,845	219,459	10,386
Sanitation	193,639	201,051	(7,412)
Health	94,668	85,968	8,700
Welfare	59,955	60,234	(279)
Culture and Recreation	36,502	33,561	2,941
Miscellaneous			
Capital Outlay	58,482	82,815	(24,333)
<u>Debt Service</u>			
Principal	161,000	161,000	
Interest and Fiscal Charges	153,005	201,213	(48,200)
Intergovernmental	4,210,792	4,210,792	
<u>Other Financing Uses</u>			
Operating Transfers Out	27,000	38,780	(11,780)
<u>Total Expenditures and</u>			
<u> Other Financing Uses</u>	<u>5,982,300</u>	<u>6,168,455</u>	<u>(186,155)</u>
<u>Excess (Deficiency) of Revenues and</u>			
<u> Other Financing Sources Over (Under)</u>			
<u> Expenditures and Other Financing Uses</u>	(85,394)	(166,349)	(80,955)
<u>Fund Balances - January 1</u>			
(As Restated Note 7)	(519,936)	(519,936)	
<u>Fund Balances - December 31</u>	<u>(\$ 605,330)</u>	<u>(\$ 686,285)</u>	<u>(\$ 80,955)</u>

Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$	\$	\$	\$5,048,068	\$5,225,743	\$177,675
			306,000	294,030	(11,970)
			261,927	271,301	9,374
	21,783	21,783	147,598	165,956	18,358
	1,817	1,817	121,000	55,461	(65,539)
<u>27,000</u>	<u>29,353</u>	<u>2,353</u>	<u>39,313</u>	<u>42,568</u>	<u>3,255</u>
<u>27,000</u>	<u>52,953</u>	<u>25,953</u>	<u>5,923,906</u>	<u>6,055,059</u>	<u>131,153</u>
			363,887	467,227	(103,340)
	810	(810)	393,525	407,165	(13,640)
	17,000	(17,000)	229,845	236,459	(6,614)
			193,639	201,051	(7,412)
			94,668	85,968	8,700
			59,955	60,234	(279)
27,000	29,770	(2,770)	63,502	63,331	171
	52	(52)		52	(52)
			58,482	82,815	(24,333)
			161,000	161,000	
			153,005	201,213	(48,208)
			4,210,792	4,210,792	
			<u>27,000</u>	<u>38,780</u>	<u>(11,780)</u>
<u>27,000</u>	<u>47,632</u>	<u>(20,632)</u>	<u>6,009,300</u>	<u>6,216,087</u>	<u>(206,787)</u>
	5,321	5,321	(85,394)	(161,028)	(75,634)
<u>16,470</u>	<u>16,470</u>		<u>(503,466)</u>	<u>(503,466)</u>	
<u>\$16,470</u>	<u>\$21,791</u>	<u>\$ 5,321</u>	<u>(\$ 588,860)</u>	<u>(\$ 664,494)</u>	<u>(\$ 75,634)</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT D
TOWN OF EPPING
Combined Statement of Revenues, Expenses
and Changes in Retained Earnings/Fund Balances
All Proprietary Fund Types and Similar/Nonexpendable Trust Funds
For the Fiscal Year Ended December 31, 1991

	<u>Proprietary Fund Type</u>	
	<u>Enterprise Funds</u>	
	<u>Water</u>	<u>Sewer</u>
	<u>Department</u>	<u>Department</u>
<u>Operating Revenues</u>		
<u>Charges for Sales and Services</u>		
User Charges	\$ 34,566	\$122,760
Rent of Property		
Miscellaneous	1,763	6,687
New Funds		
<u>Total Operating Revenues</u>	<u>36,329</u>	<u>129,447</u>
<u>Operating Expenses</u>		
<u>Cost of Sales and Services</u>		
Salaries and Wages	22,797	41,580
Contracted Services	16,873	21,029
Maintenance and Repairs	15,607	26,169
Chemicals and Supplies	3,814	11,690
Utilities	9,963	21,116
Administration		3,505
Depreciation	<u>7,827</u>	<u>42,394</u>
<u>Total Operating Expenses</u>	<u>76,881</u>	<u>167,483</u>
<u>Operating Income (Loss)</u>	(40,552)	(38,036)
<u>Nonoperating Revenues</u>		
Interest Revenue	<u>987</u>	<u>3,469</u>
<u>Income (Loss) Before Operating Transfers</u>	(39,565)	(34,567)
<u>Operating Transfers</u>		
Transfers Out		
<u>Net Income (Loss)</u>	(39,565)	(34,567)
<u>Retained Earnings/Fund</u>		
<u>Balances - January 1</u>		
(As Restated Note 7)	<u>247,433</u>	<u>120,409</u>
<u>Retained Earnings/Fund</u>		
<u>Balances - December 31</u>	<u>\$207,868</u>	<u>\$ 85,842</u>

<u>Fiduciary Fund Type</u>	<u>Total (Memorandum Only)</u>
<u>Nonexpendable Town Trusts</u>	<u>December 31, 1991</u>
\$	\$157,326
11,680	11,680
5,591	14,041
<u>3,409</u>	<u>3,409</u>
<u>20,680</u>	<u>186,456</u>
	64,377
	37,902
975	42,751
	15,504
	31,079
	3,505
	<u>50,221</u>
<u>975</u>	<u>245,339</u>
19,705	(58,883)
	<u>4,456</u>
19,705	(54,427)
(<u>14,926</u>)	(<u>14,926</u>)
4,779	(69,353)
<u>87,230</u>	<u>455,072</u>
<u>\$ 92,009</u>	<u>\$385,719</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT E
TOWN OF EPPING
Combined Statement of Cash Flows
All Proprietary Fund Types and Similar/Nonexpendable Trust Funds
For the Fiscal Year Ended December 31, 1991

	<u>Proprietary Fund Type</u>	
	<u>Enterprise Funds</u>	
	<u>Water</u>	<u>Sewer</u>
	<u>Department</u>	<u>Department</u>
<u>Cash Flows From Operating Activities</u>		
Cash Received From Customers and Users	\$35,128	\$129,279
Cash Payments to Suppliers for Goods and Services	(45,959)	(92,239)
Cash Payments to Employees for Services	(1,000)	(41,365)
Interest and Dividends Received	987	3,469
New Funds Received		
Operating Transfers In - From Other Funds	5,600	
Operating Transfers Out - To Other Funds		(13,000)
<u>Net Cash Provided (Used) by Operating Activities</u>	(5,244)	(13,856)
<u>Cash - January 1</u>	<u>6,597</u>	<u>31,916</u>
<u>Cash - December 31</u>	<u>\$ 1,353</u>	<u>\$ 18,060</u>
 <i>Reconciliation of Net Income (Loss) to Net Cash Provided (Used) by Operating Activities</i>		
<u>Net Income (Loss)</u>	<u>(\$39,565)</u>	<u>(\$ 34,567)</u>
<u>Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities</u>		
Depreciation Expense	7,827	42,394
(Increase) Decrease in Receivables		
Accounts	(2,599)	(13,165)
(Increase) Decrease in		
Due From Other Funds		(19,998)
Increase (Decrease) in Accounts Payable	263	5,707
Increase (Decrease) in Due to Other Funds	<u>28,830</u>	<u>5,773</u>
<u>Total Adjustments</u>	<u>34,321</u>	<u>20,711</u>
<u>Net Cash Provided (Used) by Operations</u>	<u>(\$ 5,244)</u>	<u>(\$ 13,856)</u>

<u>Fiduciary Fund Type</u>	<u>Total (Memorandum Only)</u>
<u>Nonexpendable</u>	<u>December 31,</u>
<u>Town Trusts</u>	<u>1991</u>
\$	\$164,407
(975)	(139,173)
5,591	(42,365)
3,409	10,047
11,680	3,409
(<u>14,926</u>)	17,280
4,779	(<u>27,926</u>)
	(14,321)
<u>87,230</u>	<u>125,743</u>
<u>\$92,009</u>	<u>\$111,422</u>
<u>\$ 4,779</u>	<u>(\$ 69,353)</u>
	50,221
	(15,764)
	(19,998)
	5,970
	<u>34,603</u>
	<u>55,032</u>
<u>\$ 4,779</u>	<u>(\$ 14,321)</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF EPPING

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Epping, New Hampshire was incorporated on February 4, 1741 and operates under a Selectmen form of government.

The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. *Governmental Reporting Entity*

For financial reporting purposes, in conformity with the National Council on Governmental Accounting Statement Number 3, "Defining the Governmental Reporting Entity," the Town of Epping includes all funds, account groups, agencies, boards, commissions and authorities that are controlled by or dependent on the Town's executive or legislative branches. Control by or dependence on the Town is determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Town, obligation of the Town to finance any deficits that may occur, or receipt of significant subsidies from the Town.

B. *Basis of Presentation*

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped by type in the financial statements. The following fund types and account groups are used by the Town:

GOVERNMENTAL FUND TYPES

Governmental Funds are those through which most governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources, and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Town's Governmental Fund Types:

General Fund - The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this

TOWN OF EPPING

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

fund. From the fund are paid the general operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Included in this fund type are the Conservation Commission, Police Drug Enforcement, Harvey Mitchell Memorial Library, and Road Impact Funds.

PROPRIETARY FUND TYPE

Proprietary Funds are used to account for the Town's ongoing activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income. The following is the Town's Proprietary Fund Type:

Enterprise Funds - Enterprise Funds are used to account for operations that provide a service to citizens financed primarily by a user charge for the provision of that service. The Water and Sewer Department Funds are included in this fund type.

FIDUCIARY FUND TYPES

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as of governmental funds. Nonexpendable Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, emphasis is placed on the determination of net income, financial position and changes in financial position. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Trust and Agency Funds - Trust and Agency Funds are used to account for the assets held in trust or as an agent for others by the Town. The following funds are included in this fund type:

Nonexpendable Trust Funds

Town Trusts

Expendable Trust Funds

Capital Reserve

Agency Fund

Developers' Performance Bond Fund

TOWN OF EPPING

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the Town's general fixed assets and general long-term debt.

General Fixed Assets Account Group - General fixed assets have been acquired for general governmental purposes and have been recorded as expenditures in the fund making the expenditure. These expenditures are required to be capitalized at historical cost in a General Fixed Asset Group of Accounts for accountability purposes. In accordance with the practices followed by most other municipal entities in the State, the Town does not maintain a record of its general fixed assets and, accordingly, a statement of general fixed assets, required by generally accepted accounting principles, is not included in this financial report, other than those accounted for in the Proprietary Fund.

General Long-Term Debt Account Group - This group of accounts is established to account for all long-term debt of the Town.

TOTAL COLUMNS (MEMORANDUM ONLY) ON COMBINED STATEMENTS

Amounts in the "Totals (Memorandum Only)" columns in the combined financial statement line items of the fund types and account groups are presented for analytical purposes only. The summation includes fund types and account groups that use different bases of accounting, includes interfund transactions that have not been eliminated and the caption "amounts to be provided", which is not an asset in the usual sense. Consequently, amounts shown in the "Totals (Memorandum Only)" columns are not comparable to a consolidation and do not represent the total resources available or total revenues and expenditures/expenses of the Town.

COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements, because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basis of Accounting

The accounts of the Governmental, Expendable Trust, and Agency Funds are maintained and reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current

TOWN OF EPPING

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

period. Application of the "susceptibility to accrual" criteria requires judgement, consideration of the materiality of the item in question, and due regard for the practicality of accrual, as well as consistency in application. Those revenues susceptible to accrual are taxes, intergovernmental revenues, charges for services and interest revenue. Licenses and permits and most other local source revenues are not susceptible to accrual, because generally they are not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred. Accumulated unpaid vacation and sick pay, and principal and interest on general long-term debt, are recorded as fund liabilities when due. All Nonexpendable Trust and Proprietary Funds are accounted for using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

D. Budgetary Accounting

General Budget Policies

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town's operations. At its annual meeting, the Town adopts a budget for the current year. This budget is adopted on a basis consistent with generally accepted accounting principles.

The budget is used by the Department of Revenue Administration each fall to set the tax rate for the municipality. Management may transfer appropriations between operating categories as they deem necessary. All annual appropriations lapse at year-end unless encumbered. Expenditures may not legally exceed budgeted appropriations in total.

State Statutes require balanced budgets, but provide for the use of beginning unreserved fund balance to achieve that end. In 1991, the beginning General Fund balance was applied as follows:

Beginning Fund Balance - Reserved for	
Encumbrances or Continuing Appropriations	<u>\$85,394</u>

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures and are therefore reported as part of the fund balance at December 31 and are carried forward to supplement appropriations of the subsequent year.

TOWN OF EPPING

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

E. Assets, Liabilities and Fund Equity

1. Cash and Equivalents

State Statutes authorize the Town to invest excess funds in the custody of the Treasurer in obligations of the United States Government, in savings bank deposits of banks incorporated under the laws of the State of New Hampshire, in certificates of deposit of banks incorporated under the laws of the State of New Hampshire, or in national banks located within this State or the State of Massachusetts. These financial statements report investments in certificates of deposit and savings bank deposits under the caption Cash and Equivalents.

2. Receivables

Revenues for the most part are recorded when received, except for the following items for which receivables have been recorded:

- a. Tax revenue is recorded when a warrant for collection is committed to the Tax Collector.

The National Council on Governmental Accounting, Interpretation 3, referring to property tax revenue recognition, requires disclosure if property taxes receivable, which are to be collected beyond a period of 60 days subsequent to year's end, are recognized on the balance sheet and not reserved. In accordance with the practice followed by other municipal entities in the State of New Hampshire, the Town of Epping annually recognizes all taxes receivable at the end of the fiscal year unless reserved as explained below.

The Town believes that the application of NCGA Interpretation 3, which would result in a decrease in the undesignated General Fund unreserved fund balance, would give a misleading impression of the Town's ability to meet its current and future obligations. On December 7, 1984, the Governmental Accounting Standards Board (GASB), in response to a related inquiry, gave justification for this deviation from the generally accepted 60-day rule on revenue recognition, concluding that the circumstances relating to the payment of school tax liabilities in New Hampshire were unusual and therefore justified a period of greater than sixty days. This practice is consistent with the previous year. However, a reserve for uncollectible taxes has been recorded for actual and potential future abatements amounting in total to \$398,457, which includes property and land use change taxes.

As prescribed by law, the Tax Collector places a lien on properties for all uncollected property taxes in the following

TOWN OF EPPING

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

year after taxes are due. The lien on these properties has priority over other liens and accrues interest at 18% per annum.

\$41,661 of the amount reserved for uncollectible taxes as noted above represents \$21,641 of 1989 property taxes and \$20,020 of 1988 property taxes which were lienied in March 1992. Since a lien can only be placed in the year following the due date of the taxes, these amounts have been reserved because collectibility is uncertain. An additional amount of \$52,041 has been reserved for prior years taxes which have never been lienied as noted above.

If property is not redeemed within the two-year redemption period, the property is tax-deeded to the Town.

- b. Interest on investments is recorded as revenue in the year earned.

4. Interfund Receivables and Payables

During the course of normal operations, the Town has numerous transactions between funds, including expenditures and transfers of resources to provide services and fund capital outlay. The accompanying governmental, proprietary, and fiduciary fund financial statements reflect such transactions as transfers. To the extent that certain transactions have not been paid or received as of December 31, balances of interfund amounts receivable or payable have been recorded.

5. Fixed Assets and Long-Term Liabilities

All governmental funds and expendable trust funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into components of contributed capital and retained earnings. Proprietary fund type

TOWN OF EPPING

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

operating statements present increases (revenues) and decreases (expenses) in net total assets.

General obligation bonds and other forms of long-term debt supported by general revenues are obligations of the Town as a whole. Accordingly, such unmatured obligations of the Town are accounted for in the General Long-Term Debt Group of Accounts.

6. *Fund Equity*

The portion of fund balance which has been legally segregated for a specific future use, or which indicates that a portion is not appropriate for expenditures, is shown as reserved. The following reserves were used by the Town during the year:

Reserved for Endowments - represents the balance of Nonexpendable Trust Funds of which the principal must be held for investment and for which only the income may be expended for specific purposes.

Reserved for Encumbrances - is used to account for open purchase orders, contracts and other commitments at year end for which goods and services have not been received.

Reserved for Special Purposes - is used to account for unencumbered balance of restricted funds.

F. *Revenues, Expenditures and Expenses*

Substantially all governmental fund revenues are accrued except for miscellaneous fees, permits, fines and charges for services which are reported on the cash basis in the General Fund. Property taxes are reflected on the modified accrual basis of accounting as explained above.

Compensated Absences

Vested or accumulated earned time leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and fund liability of the General Fund. Amounts of vested or accumulated leave benefits that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive earned time benefits.

TOWN OF EPPING

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balances

There is a deficit of \$687,309 in the General Fund at December 31, 1991.

This has been caused primarily by the past three years' overdrafts of appropriations and revenue deficits. In addition, a reserve for uncollected taxes has been established in accordance with generally accepted accounting principles. Management intends to work with the Department of Revenue Administration when setting the 1992 tax rate, with the intention of reducing this deficit by \$300,000 by the end of the fiscal year.

B. Excess of Expenditures Over Appropriations and Application of the Municipal Budget Law (RSA Chapter 32)

The Town has adopted the provisions of the Municipal Budget Law and cannot expend in excess of its total budgeted appropriations unless approval is secured from the Budget Committee and State Department of Revenue Administration. During 1991, the Town exceeded its total budgeted appropriations by \$187,179 as detailed on Exhibit A-2. There is no evidence that approval from the State Department of Revenue Administration or Budget Committee was obtained.

NOTE 3 - ASSETS

A. Cash and Investments

At year end, the carrying amount of the Town's cash deposits is \$195,156 and the bank balance is \$473,928. Of the bank balance, \$213,333 was covered by Federal depository insurance and \$260,595 was uninsured.

The Town is further authorized to invest Trust Funds, except Capital Reserve Funds, in obligations of political subdivisions and stocks and bonds that are legal for investment by New Hampshire savings banks. Capital Reserve Funds must be kept separate and not intermingled with other Trust Funds. Capital Reserve Funds may be invested only in savings bank deposits of New Hampshire banks, or in United States or State of New Hampshire bonds or notes.

B. Property Taxes

The property tax year is from April 1 to March 31 and all property taxes are assessed on the inventory taken in April of that year.

The Town subscribes to the semi-annual method of tax collection as provided for by RSA 76:15-a. Under this method, tax bills are sent on or around May 1 and November 1 of each year, with interest accruing at a rate of 12% on bills outstanding for more than thirty days.

TOWN OF EPPING

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

The May 1 billing is considered an estimate only and is one half of the previous year's tax billing. The remaining balance of taxes due is billed in the fall after the State Department of Revenue Administration has calculated and approved the Town's tax rate for the fiscal year.

C. Interfund Receivables/Payables

Individual fund interfund receivable and payable balances at December 31, 1991 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$33,157	\$
<u>Special Revenue Fund</u>		
Harvey Mitchell Memorial Library		30
<u>Proprietary Funds</u>		
Water Department		40,678
Sewer Department	<u>19,998</u>	<u>12,447</u>
<u>Totals</u>	<u>\$53,155</u>	<u>\$53,155</u>

NOTE 4 - LIABILITIES

A. Intergovernmental Payable

The Town has recorded \$1,986,005 as an intergovernmental payable in the General Fund, which represents the balance of the school district assessment due to be paid to the Epping School District during the six-month period ending June 30, 1992.

B. Defined Benefit Pension Plan

The Town of Epping participates in the New Hampshire Retirement System, a cost-sharing multiple-employer public employee retirement system. This system is a defined benefit contributory retirement plan, administered by the State of New Hampshire, which covers substantially all employees of the State and participating political subdivisions, and the teaching and professional staff of the public school system. The payroll for Town employees covered by the system for the year ended December 31, 1991 was \$189,850; the Town's total payroll was \$533,528.

The New Hampshire Retirement System provides retirement, disability and death benefits according to predetermined formulae. All full-time employees are eligible to participate in the system.

Covered employees other than police and fire personnel are required by State Statute to contribute 5.0% of their salary to the plan; police and firemen contribute 9.3%. The Town is required by the same statute to contribute a percentage of the employee's salary, based on an actuarial

TOWN OF EPPING

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

valuation of the entire State plan performed June 30, 1987. These contributions represented 6.82% for police, 8.40% for firemen, and 2.20% for all other employees through June 30, 1991. From July 1, 1991, the Town's contribution rates were 5.36% for police, 5.35% for firemen and 2.51% for all other employees. The contribution requirements for the year ended December 31, 1991 were \$27,718, which consisted of \$11,067 from the Town and \$16,651 from employees.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the system's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among retirement systems and employers. The State retirement system does not make separate measurements of assets and pension benefit obligations for individual employers. According to plan administrators, the pension benefit obligation at June 30, 1990 for the system as a whole, determined through an actuarial valuation performed as of that date, was \$1,471,877,286. The system's net assets available for benefits on June 30, 1990 (as reported in the Plan's Audited Annual Report dated February 25, 1991) were at \$1,245,744,548. No more recent figures are available at this time. The percentage that the Town has in relation to the entire plan cannot be determined. Nor is 10-year historical trend information required by GASB 5 available for individual employees. See page 34 of the above-referenced Annual Report.

Until conversion to the State Retirement System, many Town employees participated in the Phoenix Retirement Fund plan through October 1991. Contributions for the portion of the year covered amounted to \$10,405.

C. Long-Term Debt

1. General Obligation Debt

The following is a summary of general obligation debt transactions of the Town for the fiscal year ended December 31, 1991.

General Obligation Debt Payable, January 1, 1991	\$914,000
General Obligation Debt Retired	<u>161,000</u>
General Obligation Debt Payable, December 31, 1991	<u>\$753,000</u>

TOWN OF EPPING

NOTES TO THE FINANCIAL STATEMENTS

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General obligation debt payable at December 31, 1991 is comprised of the following individual issues:

\$120,000 1974 Sewer Bonds due in annual installments of \$6,000 through March 1, 1994; interest at 5.00%	\$ 18,000
\$207,512 1986 Sewer Bonds due in annual installments of \$20,000 through November 15, 1995; interest from 7.30% to 7.80%	80,000
\$325,000 1989 Series A Bonds due in annual installments of \$35,000 through July 15, 1994 and \$30,000 through July 15, 1999; interest from 6.75% to 6.80%	255,000
\$500,000 1990 Road Reconstruction Series C Bonds due in annual installments of \$100,000 through July 15, 1995; interest at 6.90%	<u>400,000</u>
<u>Total</u>	<u>\$753,000</u>

The annual requirements to amortize all general obligation debt outstanding as of December 31, 1991, including interest payments, are as follows:

Annual Requirements To Amortize General Obligation Debt

<u>Fiscal Year Ending</u> <u>December 31,</u>	<u>General Obligation Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1992	\$161,000	\$ 51,832	\$212,832
1993	161,000	40,810	201,810
1994	161,000	29,748	190,748
1995	150,000	18,645	168,645
1996	30,000	8,160	38,160
1997-1999	<u>90,000</u>	<u>12,240</u>	<u>102,240</u>
<u>Totals</u>	<u>\$753,000</u>	<u>\$161,435</u>	<u>\$914,435</u>

All debt is general obligation debt of the Town, which is backed by its full faith and credit.

Legal Debt Margin

According to State Law, Town borrowing (exclusive of those exceptions allowed under the provision of the Municipal Finance Act) may not exceed one and seventy-five hundredths percent (1.75%) of the valuation of property based upon the applicable locally assessed valuation of the municipality as last equalized by the Commissioner

TOWN OF EPPING

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

of Revenue Administration. At December 31, 1991, the Town of Epping is using an equalized value of \$239,189,235 and a legal debt margin of \$4,185,812.

2. *Capital Lease Agreements for Equipment*

The Town has entered into a lease-purchase agreement for one Caterpillar 416 backhoe loader, which provides for annual principal and interest payments as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1992	\$ 9,120	\$2,181	\$11,301
1993	9,120	1,624	10,744
1994	9,120	1,022	10,142
1995	<u>9,120</u>	<u>371</u>	<u>9,491</u>
<u>Totals</u>	<u>\$36,480</u>	<u>\$5,198</u>	<u>\$41,678</u>

Payments of \$9,120 principal and \$2,453 interest were made in the fiscal year ending December 31, 1991. The lease-purchase agreement contains a non-appropriation funding clause whereby, in the event no funds or insufficient funds are appropriated by the Town, the lease shall terminate without penalty or expense to the Town.

D. *Tax Anticipation Notes Payable*

State Statutes allow the Town to incur debt up to the amount of the current property tax levy, or the amount of the prior-year levy if the tax amount has not been determined for the current year at the time of borrowing, in anticipation of the taxes in order to pay current maintenance and operation expenses. Notes issued in accordance with these statutes are general obligations of the Town.

The following tax anticipation notes payable were outstanding at December 31, 1991:

<u>Amount</u>	<u>Interest Rate</u>	<u>Date Due</u>
<u>\$1,300,000</u>	6.75%	April 1, 1992

NOTE 5 - FUND EQUITY

Reservations of Fund Balances

Reserve for Encumbrances

Funds encumbered at year end were as follows:

General Fund	<u>\$1,024</u>
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TOWN OF EPPING

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

Reserved for Special Purposes

The \$132 of fund balances reserved for special purposes represents Special Revenue Funds reserved for specific future purposes.

Reserved for Endowments

The \$92,009 reserved for endowments represents the balance of Trust Funds which must be held for investment or expended for specific purposes.

Designated for Special Purposes

The \$21,659 designated for special purposes represents Special Revenue Fund balances which management intends to use in the subsequent years.

Trust Funds

The principal amount of all Nonexpendable Trust Funds is restricted either by law or by terms of individual bequests, in that only income earned may be expended. The Town's Nonexpendable Trust Funds at December 31, 1991 are detailed as follows:

<u>Purpose</u>	<u>Principal</u>	<u>Income</u>	<u>Total</u>
Perpetual Care	\$22,320	\$26,526	\$48,846
Town Worthy Poor	10,389	733	11,122
Support of Schools	6,831	631	7,462
Support of Schools & Library	6,126	432	6,558
Support of Library	14,102	995	15,097
Support of Town Churches	122	9	131
Miriam Jackson Park	<u>2,225</u>	<u>568</u>	<u>2,793</u>
<u>Total Nonexpendable</u>	<u>\$62,115</u>	<u>\$29,894</u>	<u>\$92,009</u>

NOTE 6 - LITIGATION

There are various claims and suits pending against the Town which arise in the normal course of the Town's activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the Town.

NOTE 7 - PRIOR-PERIOD ADJUSTMENTS

The adjustments on the following page were made to January 1, 1990 Fund Equities to give retroactive effect to restatements of amounts in accordance with generally accepted government accounting principles and for the correction of errors.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	
	General	Special Revenue	Capital Projects	Water	Enterprise Funds Sewer	Expendable Trusts	Nonexpendable Trusts
Retained Earnings/Fund Balance December 31, 1990							
- As Previously Reported	(\$362,682)	\$ 7,490	\$36,627	\$243,404	\$193,981	\$28,524	\$58,706
To adjust errors in cash balances	(37,378)	120					
To record prior year impact fee					7,200		
To accrue additional vendor/salary payables	(69,651)	362		11	(1,809)		
To reflect interfund adjustments	(10,000)			2,000	8,000		
To record prepaid insurance	25,894						
To record land use change taxes receivable	153,835						
To reflect net adjustments to property taxes receivable	110,354						
To reflect a reserve for uncollectible taxes	(330,308)						
To adjust contributed capital per prior auditors' workpapers					(113,074)		
To reclassify certain trust funds from expendable to nonexpendable						(28,524)	28,524
To reclassify capital projects to proprietary and special revenue funds		8,498	(36,627)	2,018	26,111		
Retained Earnings/Fund Balances December 31, 1990 - As Restated	\$519,936	\$16,470	\$ -0-	\$247,433	\$120,409	\$ -0-	\$87,230

TOWN OF EPPING
NEW HAMPSHIRE

LETTER OF COMMENTS AND RECOMMENDATIONS

DECEMBER 31, 1991

TOWN OF EPPING

NEW HAMPSHIRE

LETTER OF COMMENTS AND RECOMMENDATIONS

DECEMBER 31, 1991

Contents

A. Cash Receipts

1. Use of Cash Receipt Journals and Cash Registers - Tax Collector/Town Clerk
2. Segregation of Duties - Water/Sewer Rent Collections
3. Prompt Recording and Depositing
4. Control Over Checks Returned for Insufficient Funds

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2. Tax Collector/Town Clerk Bank Accounts
3. Authorization for Payment
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1. Tax Collector - Billings, Collections, and Reconciliation of Subsidiary Records to Control Accounts
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1. Approval for Library Expenditures
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4. Custody of Town Cash/Checking Accounts
5. Violation of the Municipal Budget Act
6. Water and Sewer Department Accounting Records
7. General Ledger - Monthly Reconciliation

Plodzik & Sanderson
Professional Association
accountants & auditors

Stephen D. Plodzik, PA
Robert E. Sanderson, PA
Paul J. Mercier, Jr., CPA*
Edward T. Perry, CPA

* Also licensed in Maine

Armand G. Martineau,
James A. Sojka,
John C. Smith,
David L. Petretta,

*Also licensed in New

April 8, 1992

To the Members of the Board
of Selectmen and the Town Administrator
Town of Epping
Epping, New Hampshire

We have audited the financial statements of the Town of Epping for the year ended December 31, 1991 and have issued our report thereon dated April 8, 1992. In connection with our audit, we reviewed and tested the Town's systems of internal accounting control and operating procedures to the extent we considered necessary to evaluate the systems as required by generally accepted auditing standards. The purpose of our review of these systems was not to express an opinion on internal accounting control, and it would not necessarily disclose all weaknesses in the system.

In the following paragraphs, we present our comments and recommendations for improving specific aspects of the Town's systems and procedures. We also refer you to the Appendix to this letter which explains the purpose of our review, its limitations, and the professional standards involved.

GENERAL

Typically, a report of this type places a greater emphasis on findings of a critical nature. Therefore, to put our comments and recommendations in proper perspective, it should be noted that the weaknesses observed are not necessarily the result of poor management. Oftentimes, they are due to factors outside the control of the Town's personnel, such as organizational restrictions, budgetary limitations, or inadequate software systems. We have noted many positive aspects of the Town's financial management and procedures which are not set forth in this report.

A. CASH RECEIPTS

Significant internal accounting controls include segregation of duties, use of cash receipts journals and cash registers, prompt recording and depositing, bonding of employees handling cash, and control over checks returned for insufficient funds.

We have evaluated the internal controls identified in the preceding sentence and found the following material weaknesses:

TOWN OF EPPING
NEW HAMPSHIRE

LETTER OF COMMENTS AND RECOMMENDATIONS

DECEMBER 31, 1991

1. *Use of Cash Receipts Journals and Cash Registers - Tax Collector/Town Clerk*

- a. The Town Clerk did not maintain a formal cash receipts journal during 1991 nor any back-up documentation that would reconcile permits issued to cash receipts.
- b. The Tax Collector did maintain a cash receipts journal for a majority of the year. However, the detail posted to the cash receipts journal did not often reconcile to the daily cash deposit.
- c. The Tax Collector's office utilizes a computerized tax system. Cash receipts posted to this system were not always reconciled to the daily cash deposits. For example, there were many errors in posting dates to the Tax Collector's computer system, compared to the actual date of receipt.
- d. The Tax Collector/Town Clerk's office does not utilize a cash register. A manual cash box system is in operation.
- e. During the year, the Tax Collector/Town Clerk accumulated approximately \$7,000 in cash that was not credited against any accounts, due to a lack of proper internal accounting controls.

Recommendation

For proper internal accounting control, the daily cash receipts should be reconciled to a cash register total or currently to the total of cash/checks counted manually from the cash box. The Town Clerk should document the motor vehicle permits, dog licenses, other permits issued, and related fees collected, in a cash receipts journal. The amounts should be reconciled daily to the cash receipts total, which should also agree with the daily deposit. Also, the Tax Collector should reconcile the daily computerized posting sheet to the cash receipts total and the daily deposit. The receipts documentation, in the form of a motor vehicle permit or copy of tax bill, showing amount paid that day, should also agree with the totals collected.

The daily computerized posting sheet could serve as a cash receipts journal. However, problems exist in retrieving this information in the format desired. For example, year-to-date amounts only print in relation to the levies in which collections were made on the day in which the sheet is processed. Also, the total page prints in the middle of the report and complicates the filing process of these daily reports. We recommend that the computer software company be consulted to correct this situation as soon as possible.

TOWN OF EPPING
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2. *Segregation of Duties - Water/Sewer Rent Collections*

A clerk in the Water/Sewer Department was responsible for the preparation and mailing of water/sewer utility bills and also the collection and posting of receipts and abatements to the customer's account.

Recommendation

For proper internal accounting control, there should be a segregation of duties to the extent that the individual responsible for the billings is not involved in the collection process. We recommend that the water/sewer bills be committed to the Tax Collector for collection.

3. *Prompt Recording and Depositing*

Town Clerk/Tax Collector

- a. Remittances to the Town Treasurer from the Tax Collector/Town Clerk were not made weekly. While the Tax Collector/Town Clerk checking accounts were utilized, remittances to the Treasurer were made monthly on average.
- b. Posting to the Tax Collector's computerized system was not always done promptly. One person was in charge of processing the deposit and posting manually to the warrant books, while someone else would post to the computer from the receipts documentation only. Information could be distorted or lost during the delay in time between the receipt of money and the posting of amounts to the computerized system.

Other Town Receipts

State Aid of \$30,000 received in 1991 was not recorded on the general ledger system as of December 31, 1991, while the money was deposited in the Town's bank account in September.

Recommendation

RSA 41:35 states "A tax collector shall pay all money collected to the town treasurer at least on a weekly basis, or on a daily basis at the discretion of the Commissioner of Revenue Administration."

RSA 261:165 addresses the Town Clerk's duties for remitting collections to the Town Treasurer.

TOWN OF EPPING
NEW HAMPSHIRE

LETTER OF COMMENTS AND RECOMMENDATIONS

DECEMBER 31, 1991

The Tax Collector/Town Clerk should familiarize herself with all the RSA's relating to those offices.

Cash received from any source should be documented at time of receipt and deposited as soon as possible in order to maximize investment opportunities and minimize the possibility of incorrect recording of information. Further, reconciliation of the general ledger proprietary accounts would have detected the \$30,000 non-posting of that receipt.

4. *Control Over Checks Returned for Insufficient Funds*

Checks that are returned for insufficient funds, need to be properly handled to prevent loss of revenue to the Town. For example, one check which was returned for insufficient funds in December 1991 was not redeposited until March 1992. No additional interest was collected on this amount because proper controls do not exist to monitor this type of transaction.

Recommendation

Internal control procedures should be established that clearly indicate that the process, in which checks returned for insufficient funds, is handled consistently.

B. *CASH DISBURSEMENTS*

Significant internal accounting controls include segregation of duties; control over unused, returned and voided checks; monthly reconciliation of bank accounts; authorization for payment; cancellation of invoices; and properly recorded disbursements.

We have evaluated the internal controls identified in the preceding sentence and found the following material weaknesses:

1. *Segregation of Duties and Control Over Unused, Returned and Voided Checks*

During the audit, it was brought to our attention that cancelled checks were not in the custody of the Treasurer, nor were the checks used in the bank reconciliation process. Voided checks appeared to be scattered in all directions and no formal control over the series of unissued checks was in existence during 1991.

There are several outstanding checks on the Treasurer's bank reconciliation at December 31, 1991 that are stale dated. We consider any check outstanding for greater than 90 days to be stale

TOWN OF EPPING
NEW HAMPSHIRE

LETTER OF COMMENTS AND RECOMMENDATIONS

DECEMBER 31, 1991

dated. Three of these checks were considered void by the prior auditing firm as of December 31, 1990.

Recommendation

The Treasurer should examine all cancelled checks returned with the bank statements as part of the bank reconciliation process. All voided and unissued checks should be filed in one place where accessibility is limited. Outstanding checks should be reviewed monthly, and stale dated checks should be investigated, voided and reissued if appropriate. Checks should indicate on the surface "Void After 90 days".

Overall, we are very pleased with the Treasurer's record-keeping and monthly financial reporting. Bank reconciliations are performed monthly, and any errors are found and corrected.

2. *Tax Collector/Town Clerk Bank Accounts*

The Tax Collector/Town Clerk had separate checking accounts during 1991. Bank reconciliations were not performed monthly, and the check registers were incomplete. The Tax Collector's account was closed during the year. However, the Town Clerk's account amounted to \$6,042 at December 31, 1991. This amount has not earned interest since approximately July 1991.

Recommendation

The Town Clerk's checking account should be closed into the general fund operating account. The Town has subsequently closed this account as recommended.

3. *Authorization for Payment*

A majority of the Board of Selectmen and the Treasurer individually signed all of the vendor checks during 1991. While the signature of the Treasurer is a necessity, we feel that a considerable amount of time is expended by the Board of Selectmen by signing each individual check.

Recommendation

The Town should utilize the check manifest system already in place to its full potential. Authorization for payments by the Treasurer can be made by the Board of Selectmen signing the check manifest which details all of the checks being issued. This should alleviate a certain amount of time expended on signing each individual check. The check manifest system should also incorporate the account

**WARRANT AND BUDGET
FOR THE
TOWN AND
SCHOOL DISTRICT
OF EPPING, NEW HAMPSHIRE
1993**

**TOWN OF EPPING
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 1992**

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THE STATE OF NEW HAMPSHIRE

TOWN OF EPPING

THE POLLS WILL BE OPEN FROM 9:00 A.M. TO 8:00 P.M.

To the Inhabitants of the Town of Epping in the County of Rockingham in said State, qualified to vote in Town Affairs:

You are hereby notified to meet at the Epping Town Hall in said Epping on Tuesday, the ninth day of March, next at nine o'clock in the forenoon, to act upon the following subjects:

ARTICLE 1

To choose all necessary Town Officers for the year ensuing. (Ballot Vote)

ARTICLE 2

To see if the Town will vote to raise and appropriate the sum of Five Hundred Thousand Dollars (\$500,000.00) for the purpose of replacing the water tower together with such mains, valves and accessories as are required to connect the tank to the Water Supply System; up to Five Hundred Thousand Dollars (\$500,000.00) of such sum to be raised through the issuance of bonds or notes under and in compliance with the Municipal Finance Act, RSA 33:1 et seq., as amended; to authorize the Selectmen to issue, negotiate, sell and deliver said bonds and notes and to determine the rate of interest thereon and the maturity and other terms thereof; and to authorize the Selectmen to take any other action or to pass any other vote relative thereto. (2/3 ballot vote required)

Submitted by Water and Sewer Commission
Recommended by Budget Committee
Recommended by Selectmen

ARTICLE 3

To act on the reports of the Selectmen, and such other Town Officers, boards, committees and all commissions who are required by law to make such reports. (Majority vote required)

Submitted by Selectmen

ARTICLE 4

To see if the Town will authorize the Selectmen to borrow in anticipation of taxes. (Majority vote required)

Submitted by Board of Selectmen

ARTICLE 5

To see if the Town will authorize the Board of Selectmen to accept the dedication of any street shown on a subdivision plat approved by the Planning Board, provided that such street has been constructed to applicable town specifications as determined by the Board of Selectmen or their agent. (Majority vote required)

Submitted by Board of Selectmen

ARTICLE 6

To see if the Town will authorize the Board of Selectmen to establish or amend fees pursuant to RSA 41:9a. (Majority vote required)

Submitted by Board of Selectmen

ARTICLE 7

To see if the Town will vote to authorize the Board of Selectmen to accept on behalf of the Town; gifts, legacies and devises made to the Town in trust for any public purpose, as permitted by RSA 31:19. (Majority vote required)

Submitted by Board of Selectmen

ARTICLE 8

To see if the Town will vote to authorize the Selectmen to administer, sell or otherwise dispose of any real estate or other Town owned property acquired by tax title or otherwise, by public auction or other legal means and providing that if such property is to be sold, then the same shall be advertised sixty (60) days in advance of sale with notice thereof being posted at three public places and area newspaper. (Majority vote required)

Submitted by Board of Selectmen

ARTICLE 9

To see if the Town will authorize the Board of Selectmen to apply for, accept and expend, without further action by Town Meeting, money from the State, Federal or other governmental unit or a private source which becomes available during the year, in accordance with RSA 31:95-b. (Majority vote required)

Submitted by Board of Selectmen

ARTICLE 10

To see if the Town will vote to authorize the Board of Selectmen to accept gifts of personal property which may be offered to the Town for any public purpose, pursuant to RSA 31:95-e, The Selectmen must hold a public hearing before accepting any such gift, and the acceptance shall not bind the Town to raise, appropriate or expend any public funds for the operation, maintenance, repair, or replacement of any such personal property. (Majority voted required)

Submitted by Board of Selectmen

ARTICLE 11

To see if the Town will vote to establish a revised Official Map for the Town of Epping, in accordance with RSA 674:11, and require the Town Clerk to file with the Rockingham County Registry of Deeds a certificate which describes such establishment and date thereof together with a certified copy of the revised Official Map; and preparation of the revised Official Map shall be coordinated by the Planning Board and said map shall be completed and presented for Public Hearing within calendar year 1993. (Majority vote required)

Submitted by Petition

ARTICLE 12

To see if the Town will vote to authorize the Treasurer, with the approval of the Selectmen, to appoint a deputy treasurer as permitted by RSA 41:29-a. (Majority vote required)

Submitted by Board of Selectmen

ARTICLE 13

To see if the Town will vote to authorize the Selectmen to fix the compensation of the Tax Collector as permitted by RSA 41:33, and the Town Clerk as permitted by RSA 41:25, with fees received by the Tax Collector and the Town Clerk being paid into the Town's General Fund. (Majority vote required)

Submitted by Board of Selectmen

ARTICLE 14

To see if the Town will vote to raise and appropriate the sum of \$80,000 to perform a revaluation of the real property in the Town. (Majority vote required)

Submitted by Board of Selectmen
Not Recommended by Budget Committee

ARTICLE 15

To see if the Town of Epping will vote to raise and appropriate the sum of \$9,600 to cover the cost of the Police Chief's salary and shift coverage so that he may attend the FBI National Academy in Quantico, Va. If approved, the Police Department budget will be reduced by \$6,450, an amount currently appropriated to cover the Chief's salary. (Majority vote required)

Submitted by Board of Selectmen
Recommended by Budget Committee

ARTICLE 16

To see if the Town will vote to rescind the vote of 1991 Town Meeting which provided for the election of members of the Zoning Board of Adjustment and return to appointment of members by the Board of Selectmen. (Majority vote required)

Submitted by Board of Selectmen

ARTICLE 17

To see if the Town will vote to raise and appropriate the sum of \$5,000 for the establishment of a Town owned skating rink. (Majority vote required)

Submitted by Board of Selectmen

ARTICLE 18

To see if the Town will vote to raise and appropriate the sum of \$50,943 to be distributed to the organizations listed below in the amounts noted for services estimated to be rendered to residents of the Town during 1993:

	<u>Requested</u>	<u>Recommended</u>
Epping Youth Athletic Association	\$3,000	3,000
Richie McFarland Children's Center	2,750	2,475
Area Homemaker Home Health Aide Service	2,900	2,610
Rockingham Visiting Nurse Association and Hospice	6,800	6,800
Seacoast Hospice	1,480	1,480
Seacoast Mental Health Center	2,000	2,000
Seacoast Big Brother/Big Sister	6,800	6,120
Rockingham Counseling Center	5,000	4,500
A Safe Place	500	500
Rockingham County Community Action Program	8,507	8,507
Lamprey Health Care	3,400	3,400
Retired Senior Volunteer Program	300	300
Sexual Assault Support Services	1,250	1,250
Cross Roads House	1,600	-0-
Rockingham Nutrition & Meals on Wheels Program	2,856	2,570
American Red Cross	800	-0-
AIDS Response of the Seacoast	1,000	-0-

(Majority vote required)

ARTICLE 19

To see if the Town of Epping will continue using the National Building Code (also known as the B.O.C.A. Code) which requires a Code Enforcement Officer. (Majority vote required)

Submitted by Petition

ARTICLE 20

To see if the Town of Epping will vote to continue the expense of hiring an Administrative Assistant. (Majority vote required)

Submitted by Petition

ARTICLE 21

To see if the Town of Epping will vote to, whenever possible and/or practical, hire only residents of the Town of Epping for supervisory positions. (Majority vote required)

Submitted by Petition

ARTICLE 22

Are you in favor of increasing the Board of Selectmen to five (5) members? (Referendum Ballot, majority vote required)

Submitted by Board of Selectmen

ARTICLE 23

To see if the Town will vote to allow the Highway Department to exist on a permanent basis and to allow the two permanent part-time employees to be permanent full-time employees and appropriate an additional \$20,000.00 to cover the extra man-hours and benefits to be applied to the Highway Department budget. (Majority vote required)

Submitted by Petition

Not recommended by Budget Committee

ARTICLE 24

To petition the Town of Epping to place on the "Official Ballot" which is voted at the March Tuesday meeting date, the total bottom line town budget less revenues should the N.H. Legislature vote to pass an R.S.A. which allows the voters to petition of said amount to appear on the "Official Ballot." (Aforementioned official ballot is sometimes called the Australian Ballot which is used for the purposes of secrecy.) (Majority vote required)

Submitted by Petition

ARTICLE 25

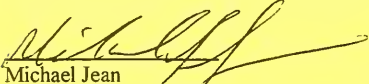
To see if the Town will vote to accept the budget as recommended by the Budget Committee and vote to raise and appropriate the sum of \$1,851,825 for the purpose therein stated. (Majority vote required)

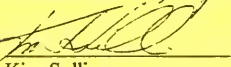
Submitted by Board of Selectmen

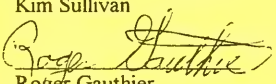
ARTICLE 26

To transact any other business that may legally come before this meeting.

Given under our hands and seal, this eighth day of February, in the year of our Lord, Nineteen Hundred and Ninety Three.


Michael Jean


Kim Sullivan

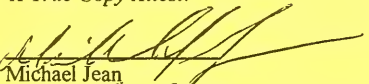

Roger Gauthier

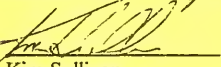
Selectmen

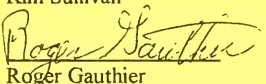
of

Epping, N. H.

A True Copy Attest:


Michael Jean


Kim Sullivan


Roger Gauthier

STATE OF NEW HAMPSHIRE
DEPARTMENT OF REVENUE ADMINISTRATION
MUNICIPAL SERVICES DIVISION
P.O. Box 457
Concord, NH 03302-0457
(603) 271-3397

Form MS-7

BUDGET FORM FOR TOWNS WHICH HAVE ADOPTED THE
PROVISIONS OF THE MUNICIPAL BUDGET LAW



BUDGET OF THE TOWN

E P P I N G

N.H.

ropriations and Estimates of Revenue for the Ensuing Year January 1, 1993 to December 31, 1993 or for Fiscal Year

19

to

19

THIS BUDGET SHALL BE POSTED WITH THE TOWN WARRANT

RSA 31:95 and 32:5

get Committee: (Please sign in ink)

[Handwritten signatures of the Budget Committee members]

Date

[Handwritten signature and date]

PURPOSE OF APPROPRIATION (RSA 31:4)	W.A. No.	1	2	3	4		5
		*Actual Appropriations Prior Year (omit cents)	Actual Expenditures Prior Year (omit cents)	Selectmen's Budget Ensuing Fiscal Year (omit cents)	Budget Committee		
Acct. No.					Recommended Ensuing Fiscal Year (omit cents)	Not Recommended (omit cents)	
GENERAL GOVERNMENT							
4130 Executive		116,070	105,200	122,820	122,820		
4140 Elec., Reg., & Vital Stat.		19,900	19,375	26,820	26,820		
4150 Financial Administration		72,092	98,823	87,150	87,150		
4152 Revaluation of Property		10,000	7,709	10,800	10,800		
4153 Legal Expense		50,000	14,416	30,000	30,000		
4155 Personnel Administration							
4191 Planning and Zoning		43,406	33,938	35,160	35,160		
4194 General Government Bldg.		26,400	18,979	19,600	19,600		
4195 Cemeteries		800	1,843	1,600	1,600		
4196 Insurance		58,900	62,682	58,500	58,500		
4197 Advertising and Reg. Assoc.		6,216	5,415	5,830	5,830		
4199 Other General Government							
PUBLIC SAFETY							
4210 Police		299,094	264,081	285,990	285,990		
4215 Ambulance		77,110	66,343	79,240	79,240		
4220 Fire		72,967	63,278	51,330	51,330		
4240 Building Inspection		39,794	36,456	39,280	39,280		
4290 Emergency Management							
HIGHWAYS AND STREETS							
4312 Highways and Streets		177,774	135,197	146,820	146,820		
4313 Bridges							
4316 Street Lighting		14,000	7,188	15,600	15,600		
SANITATION							
4323 Solid Waste Collection		27,240	27,352	30,350	30,350		
4324 Solid Waste Disposal		172,500	155,098	184,100	184,100		
4325 Sewage Collection & Disposal		125,175	89,274	106,600	106,600		
4326 Recycling		20,690	34,125	15,030	15,030		
WATER DISTRIBUTION & TREATMENT							
4332 Water Services		62,800	57,636	64,750	64,750		
4335 Water Treatment							
HEALTH							
4414 Pest Control (Animal)		3,000	2,923	2,860	2,860		
4415 Health Agencies and Hospitals							
WELFARE							
4442 Direct Assistance		43,100	37,094	39,240	39,240		
4444 Intergovernmental Welf. Pay'ls.							
Sub-Totals (carry to top of page 3)		1,539,028	1,344,506	1,459,470	1,459,470		

PURPOSE OF APPROPRIATION (Continued)	W.A. No.	1	2	3	4		5
		*Actual Appropriations Prior Year (omit cents)	Actual Expenditures Prior Year (omit cents)	Selectmen's Budget Ensuimg Fiscal Year (omit cents)	Budget Committee		Not Recommended (omit cents)
					Recommended Ensuimg Fiscal Year (omit cents)		
Sub-Totals (from page 2)		1,539,023	1,344,506	1,459,470	1,459,470		
CULTURE AND RECREATION							
520 Parks and Recreation		19,912	16,131	16,500	16,500		
550 Library		29,170	27,170	30,970	30,970		
583 Patriotic Purposes		500	500	500	500		
CONSERVATION							
612 Purchase of Natural Resources		2,000	548	1,825	1,825		
REDEVELOPMENT AND HOUSING							
ECONOMIC DEVELOPMENT		750		750	750		
DEBT SERVICE							
711 Princ.-Long Term Bonds & Notes		161,000	161,000	161,000	161,000		
721 Int.-Long Term Bonds & Notes		51,833	51,833	40,810	40,810		
723 Interest on TAN		150,000	131,198	140,000	140,000		
CAPITAL OUTLAY							
WARRANT ARTICLES		108,656	99,556	642,213	556,782	85,431	
OPERATING TRANSFERS							
914 To Proprietary Funds:							
915 To Capital Reserve Funds:							
916 To Trust and Agency Funds: (RSA 31:19-a)							
TOTAL APPROPRIATIONS		2,062,849	1,832,442	2,494,038	2,408,607	85,431	

Enter in these columns the numbers which were revised and approved by DRA and which appear on the prior tax rate papers.

10% LIMITATION OF APPROPRIATIONS

(SEE RSA 32:8, 8-a, & 32:10-b)

Please disclose the following items (to be excluded from the 10% calculation)

Recommended Amount of Collective Bargaining Cost Items. \$ 31,200 Amount of Mandatory Water & Waste Treatment Facilities. (RSA 32:10-b).
 A 273-A:1, IV "'Cost Item' means any benefit acquired through collective bargaining whose implementation requires an appropriation by the legislative body of the public employer with which negotiations are being conducted."

HELP! We ask your assistance in the following: If you have a line item of appropriation which is made up of appropriations from more than one (1) warrant article, please use the space below to identify the make-up of the line total. We hope this will expedite the tax rate process by reducing the number of inquiries from this office.

Acct.	W.A.	Amt.	Acct.	W.A.	Amt.

SOURCE OF REVENUE		1	2	3	4
Acct. No. TAXES	W.A. No.	*Estimated Revenues Prior Year (omit cents)	Actual Revenues Prior Year (omit cents)	Selectmen's Budget Ensuig Fiscal Year (omit cents)	Estimated Revenues Ensuig Fiscal Year (omit cents)
3120 Land Use Change Taxes		10,000	3,580	4,000	
3180 Resident Taxes					
3185 Yield Taxes		3,000		3,000	
3186 Payment in Lieu of Taxes					
3190 Int. & Pen. on Delinquent Taxes		100,500	208,935	130,000	
Inventory Penalties					
LICENSES, PERMITS AND FEES					
3210 Business Licenses and Permits		8,300	12,045	11,600	
3220 Motor Vehicle Permit Fees		275,000	296,061	275,000	
3290 Other Licenses, Permits & Fees		19,800	19,116	17,250	
FROM FEDERAL GOVERNMENT					
FROM STATE					
3351 Shared Revenue		160,000	184,079	180,000	
3353 Highway Block Grant		70,000	77,919	91,000	
3354 Water Pollution Grants		19,800	19,898	18,700	
3356 State & Fed. Forest Land Reimb.					
3357 Flood Control Reimbursement					
3359 Other					
FROM OTHER GOVERNMENT					
3379 Intergovernmental Revenues					
CHARGES FOR SERVICES					
3401 Income from Departments		123,755	76,638	87,500	
3409 Other Charges					
MISCELLANEOUS REVENUES					
3501 Sale of Municipal Property		25,000	101	100	
3502 Interest on Investments		5,000	3,139	4,000	
3509 Other		32,848	32,949	35,600	
INTERFUND OPERATING TRANSFERS FROM					
3914 Proprietary Funds					
Sewer		125,175	126,129	106,600	
Water		62,800	69,905	64,750	
Electric					
3915 Capital Reserve Funds					
3916 Trust and Agency Funds		13,000	10,431	12,000	
OTHER FINANCING SOURCES					
3934 Proc. from Long Term Notes & Bonds				500,000	
Fund Balance:					
Items Voted From Surplus				1,020	
Remainder of Surplus					
TOTAL REVENUES AND CREDITS		1,053,978	1,140,925	1,546,820	

*Enter in this column the numbers which were revised and approved by DRA and which appear on the MS-4 form.

Total Appropriations 2,408,607

Less: Amount of Estimated Revenues, Exclusive of Property Taxes 1,546,820

Amount of Taxes to be Raised (Exclusive of School and County Taxes) 861,787

BUDGET OF THE TOWN OF EPPING, N.H.

BUDGET FOR TOWNS WHICH HAVE ADOPTED THE PROVISIONS
OF THE MUNICIPAL BUDGET LAW

SCHOOL WARRANT

STATE OF NEW HAMPSHIRE

To the Inhabitants of the School District in the Town of Epping, New Hampshire, qualified to vote in District affairs:

You are hereby notified to meet at the Epping Gymnasium in said District on the fourth day of March, 1993, at seven o'clock in the evening, to act upon the following subjects:

1. To hear reports of agents, auditors, and committees or officers chosen and pass any vote relating thereto.
2. To see if the District will raise and appropriate the sum of \$10,000.00 to be placed in the Future School Bus Capital Reserve Fund which was established on March 17, 1990. (Recommended by the Budget Committee)
3. To see if the District will vote to raise and appropriate the sum of \$45,000.00 as a deficit appropriation for the July 1, 1992, through June 30, 1993, fiscal year to cover higher than anticipated costs for special education. (Not recommended by the Budget Committee)
4. To see if the District will vote to raise and appropriate the sum of \$167,266.00 for the support of the school lunch program. (This is a self funding program. Revenues will be generated from State, Federal and local funds based on lunch sales.) (Not recommended by the Budget Committee)
5. To see if the School District will vote to raise and appropriate a sum of \$4,762,469.00 for the support of schools, for the payment of salaries for the School District officials and agents, and for the payment of statutory obligations of the District. (\$4,929,735 Recommended by the Budget Committee)

6. By Petition: To see if the residents of the Epping School District will vote to cap the health care costs at the 1992-93 level for the 1993-94 fiscal year. To include all teaching staff employees not currently contributing to any of their health care costs. Since the expiration of the contract by the Epping School Board and the Epping Education Association on June 30, 1990, these employees have enjoyed tremendous benefits from the taxpayer without the benefit of a contract.
7. By Petition: To see if the residents of the Epping School District will vote to cease membership in the New Hampshire School Boards Association. The \$2,642.00, taxpayer money, being paid as annual dues to this lobbying group for increasing educational spending which is costing the taxpayers additional tax dollars.
8. By Petition: We the undersigned petition the Epping School Board be directed to not negotiate a continuation clause in the Epping school teachers contract.
9. By Petition: We the undersigned petition the School District of Epping to place on the "Official Ballot" which is voted at the Tuesday, March election meeting the TOTAL School District budget, less Revenues, should the New Hampshire Legislature pass an RSA which allows the voters to petition the said amount of total budget to appear on the "Official Ballot". (Aforementioned official ballot is sometimes called an "AUSTRALIAN BALLOT" which is used for the purpose of SECRECY.)
10. To transact any other business which may legally come before this meeting.

NOTE: The above warrant is unofficial. The official warrant with changes, if any, will be posted at least fourteen days before the date of the meeting.

EPHING SCHOOL BOARD

Jennifer Yergeau
Joseph Foley
Lee Kearns
Ronald Altman
Caroline Kiracofe

STATE OF NEW HAMPSHIRE
DEPARTMENT OF REVENUE ADMINISTRATION
MUNICIPAL SERVICES DIVISION
P.O. BOX 457
CONCORD, N.H. 03302-0457
TEL. 271-3397



BUDGET FORM FOR SCHOOL DISTRICTS WHICH HAVE ADOPTED
THE PROVISIONS OF THE MUNICIPAL BUDGET LAW

For The Fiscal Year Ended June 30 19 94

BUDGET OF THE SCHOOL DISTRICT
OF Epping, N.H.

BUDGET COMMITTEE

DATE 11/1/93 19

[Handwritten signatures of Budget Committee members]

[Handwritten signatures of school district representatives]

(Please sign in Ink)

DISTRIBUTION OF FORMS

BUDGET (RSA 32:7): Forward one signed copy of the budget as approved by the Budget Committee to the State Dept. of Rev. Admin.

SECTION I		*APPROVED	SCHOOL BOARD'S	BUDGET COMMITTEE	
PURPOSE OF APPROPRIATION		BUDGET	BUDGET	RECOMMENDED	NOT RECOMMENDED
FUNCTION		CURRENT YEAR	ENSUING FISCAL YEAR	ENSUING FISCAL YEAR	ENSUING FISCAL YEAR
1000	INSTRUCTION	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
1100	Regular Programs	2,030,308	1,940,523	1,940,523	0
1200	Special Program	712,468	814,622	814,622	0
1300	Vocational Programs	65,533	55,080	55,080	0
1400	Other Instructional Programs	54,659	58,418	58,418	0
1600	Adult/Continuing Education				
2000	SUPPORT SERVICES	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
2100	Pupil Services	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
2110	Attendance & Social Work	0	0	0	0
2120	Guidance	98,846	109,039	109,039	0
2130	Health	29,082	28,122	28,122	0
2140	Psychological				
2150	Speech Path. & Audiology	72,771	64,558	64,558	0
2190	Other Pupil Services				
2200	Instructional Staff Services	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
2210	Improvement of Instruction	28,100	36,100	36,100	0
2220	Educational Media	99,129	109,352	109,352	0
2240	Other Inst. Staff Services				
2300	General Administration	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
2310	School Board	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
2310 870	Contingency				
2310	All Other Objects	28,908	29,681	29,681	0
2320	Office of Superintendent	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
2320 351	S.A.U. Management Serv.				
2320	All Other Objects	183,774	176,571	176,571	0
2330	Special Area Adm. Services				
2390	Other Gen. Adm. Services				
2400	School Administration Services	267,485	267,688	267,688	0
2500	Business Services	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
2520	Fiscal				
2540	Operation & Maintenance of Plant	286,905	286,639	286,639	0
2550	Pupil Transportation	205,023	208,928	208,928	0
2570	Procurement				
2590	Other Business Services				
2600	Managerial Services				
2900	Other Support Services	105,156	102,275	102,275	0
3000	COMMUNITIES SERVICES				
4000	FACILITIES ACQUISITIONS & CONST.	0	0	0	0
5000	OTHER OUTLAYS				
5100	Debt Service	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
5100 830	Principal	385,000	400,000	400,000	0
5100 840	Interest	101,232	74,873	74,873	0
5200	Fund Transfers				
5220	To Federal Projects Fund				
5240	To Food Service Fund	119,621	0	167,266	0
5250	To Capital Reserve Fund Art. #2	0	10,000	10,000	0
5255	Article #4		167,266	0	167,266
122	Deficit Appropriation Art. #3	0	45,000	0	45,000
—	Supplemental Appropriation				
TOTAL APPROPRIATIONS		4,874,000	4,984,735	4,939,735	212,266

		ESTIMATED REVENUES		
SECTION II		* REVISED	SCHOOL BOARD'S	BUDGET
REVENUES & CREDITS AVAILABLE TO REDUCE SCHOOL TAXES		REVENUES	BUDGET	COMMITTEE BUDGET
		CURRENT YEAR	ENSUING FISCAL YEAR	ENSUING FISCAL YEAR
770	Unreserved Fund Balance	22,491	66,481	66,481
3000	Revenue from State Sources	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
3110	Foundation Aid	246,285	490,915	490,915
3120				
3130				
3140				
3210	School Building Aid	113,147	119,147	119,147
3220	Area Vocational School			
3230	Driver Education	2,000	2,000	2,000
3240	Catastrophic Aid	116,334	116,334	116,334
3250	Adult Education			
3270	Child Nutrition	50,000	2,956	2,956
	Other (Identify)			
4000	Revenue From Federal Source	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
4410	ECIA - I & II			
4430	Vocational Education			
4450	Adult Education			
4460	Child Nutrition Program		53,061	53,061
4470	Handicapped Program			
	Other (Identify)			
5000	Other Sources	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
5100	Sale of Bonds or Notes			
5230	Trans. From Cap. Projects Fund			
5250	Trans. From Cap. Reserve Fund			
5255	Trans. From Expendable Trust Fund	200	200	200
1000	Local Rev. other than Taxes	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
1300	Tuition	36,019	79,437	79,437
1500	Earnings on Investments	5,000	5,000	5,000
1700	Pupil Activities School Lunch	69,621	68,701	68,701
	Other (Identify) Rent	27,000	25,000	25,000
	SUPPLEMENTAL APPROPRIATION (CONTRA)			
	A La Carte Lunch	0	42,548	42,548
	TOTAL SCHOOL REVENUES & CREDITS	688,097	1,071,780	1,071,780
	TOTAL APPROPRIATIONS LESS TOTAL REVENUES AND CREDITS	4,185,903	3,912,955	3,867,955

* Enter in these columns the numbers which were revised and approved by DRA and which appear on the current tax rate papers.

10% LIMITATION OF APPROPRIATIONS
(SEE RSA 32:8, 8-a)

Please disclose the following items (to be excluded from the 10% calculation):

\$ _____ Recommended Amount of Collective Bargaining Cost Items.
(RSA 32:8-a)

RSA 273-A:1, IV " 'Cost Item' means any benefit acquired through collective bargaining whose implementation requires an appropriation by the legislative body of the public employer with which negotiations are being conducted."

TOWN OF EPPING,
NEW HAMPSHIRE

FINANCIAL STATEMENTS

DECEMBER 31, 1992

TOWN OF EPPING, NEW HAMPSHIRE

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Plodzik & Sanderson Professional Association

193 North Main Street Concord, N.H. 03301 (603) 225-6996

INDEPENDENT AUDITOR'S COMMUNICATION OF REPORTABLE CONDITIONS AND OTHER MATTERS

To the Members of the
Board of Selectmen
Town of Epping
Epping, New Hampshire

In planning and performing our audit of the Town of Epping for the year ended December 31, 1992, we considered the Town's internal control structure in order to determine the scope of our auditing procedures for the purpose of expressing our opinion on the financial statements. Our review of these systems was not intended to provide assurance on the internal control structure and should not be relied on for that purpose.

Under the standards established by the American Institute of Certified Public Accountants, reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Town's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities, in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might constitute reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

During the course of our review, the following conditions were noted that were considered to be material weaknesses as defined above or other matters which came to our attention:

Update of Prior-Year Material Weaknesses and Reportable Conditions

Cash Receipts

The weaknesses in the Tax Collector/Town Clerk's Office have for the most part been addressed in 1992. A cash receipts journal is being utilized by the Town Clerk and a cash register system is in place. It should be noted however, that because of the personnel changes within this office during the year, there was a lack of continuity in training and development. Nevertheless, we are confident that the present individual is very capable and improvements in collection procedures will continue to be made. We do suggest a continual monitoring of the department to provide

Town of Epping
Independent Auditor's Communication of Reportable Conditions and Other Matters

technical advice with regard to monthly reconciliations and merging with the general ledger system.

Segregation of Duties-Water/Sewer Rent Collections

We recommended that the water and sewer billings be segregated from the individual involved in the collection process. The turnover in the Town Clerk/Tax Collector's position precluded achieving this course of action in 1992. However, the first water and sewer warrant of 1993 has been committed to the Tax Collector. We also recommend that any uncollected water and sewer receivables be likewise committed to the Tax Collector for collection.

Prompt Recording and Depositing

Remittances to the Treasurer are being made on a timely basis and postings are on a current basis. The situation is resolved.

Cash Disbursements

The five areas mentioned under cash disbursements have been resolved in 1992. Control now exists over cancelled, voided and cleared checks, unnecessary bank accounts have been closed, vendor payments are manifested, invoices are properly cancelled and disbursements have been made by Town check. The overall internal accounting controls over disbursements now appears adequate.

Billings and Receivables

As mentioned previously, weaknesses in the Tax Collector's Office in the area of tax warrant controls, have been greatly reduced. New forms and procedures for processing abatements have been instituted. The newest available network software has been installed which management feels will eliminate previous problems with the database.

The sale of tax liens during the year to outside parties has caused considerable difficulty in accounting at year end. To this end, we have attempted to reconcile redemptions by taxpayers to the payments made to the purchasers. As part of this reconciliation, we have carried forward \$12,241 as a liability on the General Fund balance sheet representing taxpayer redemptions which we cannot trace to the general ledger as being refunded.

We did assist the Tax Collector in the preparation of the annual report for the State (MS-61) and made the necessary adjustment to the general ledger to reconcile the proprietary accounts at December 31. The general ledger taxes receivable accounts (proprietary accounts) were not reconciled to the Tax Collector's records throughout the year. This is a major weakness in internal accounting control which needs to be rectified and will be addressed further in this communication.

Water and Sewer Billings

There have been some improvements in the area of water and sewer billings. Warrants are being approved by the Commissioners and formal abatements are approved in writing. However, there was still very little control exercised over this area of receivables.

*Town of Epping
Independent Auditor's Communication of Reportable Conditions and Other Matters*

For example, no reconciliation of the water and sewer accounts receivable was performed for the entire year. After considerable audit work on our part, we finally had to make adjustments of \$1,287 and \$3,200 in the Water and Sewer Funds, respectively, to reconcile the general ledger accounts to the actual detail total of uncollected at December 31. Also we found a deposit in the sewer checking account dated April 15, 1992, in the amount of \$6,335.28 which cannot be identified. This has been reported as deferred revenue on the balance sheet until such time as management can determine the source.

To reiterate a previous observation, the committing of the water and sewer warrants to the Tax Collector will hopefully rectify past weaknesses in internal accounting control.

Water and Sewer Departments - Billing Rate Control

We noted last year that the Water Department's 1991 budget was in a deficit position by approximately \$38,000. This year, as indicated by the financial statements, the Water Department's net loss is only \$3,050, while the Sewer Department had a budget surplus of \$6,427. We continue to encourage the Commissioners to eliminate any deficit and to actively monitor the internal financial reports.

Property and Equipment- General Fixed Asset Accounting

The situation regarding the lack of a general fixed asset accounting system remains unchanged. We agree with management that other priorities should take precedent to the establishing of a formal fixed asset accounting system.

Other Items

Custody and Collateralization of Cash Accounts

All cash accounts, with the exception of the Conservation Commission, are in the hands of the Town Treasurer in accordance with RSA 41:29 as of December 31. We remain of the opinion that the Town Treasurer should have custody of all Town funds not specifically addressed by State statute.

As indicated in the Notes to the Financial Statements, the book balance of all the cash accounts on hand at December 31, was \$669,465. Of this amount, only \$149,891 was covered by the F.D.I.C., while \$519,574 was uninsured and uncollateralized. The Town Treasurer has the responsibility to ascertain the safety of all funds on deposit, which includes collateralization.

Water and Sewer Department Accounting Records

We again strongly recommend that a full general ledger system for the Water and Sewer Funds be maintained by the Town Accountant. The present system is archaic and inaccurate. We have spent a considerable amount of time with the past two audits in attempting to perform twelve-month reconciliations of proprietary accounts. As noted previously, water and sewer rents receivable did not balance with the general ledger at year end. In addition, the cash in bank was not reconciled with the bank statements for the entire year and interfund controlling accounts were likewise never

Town of Epping

Independent Auditor's Communication of Reportable Conditions and Other Matters

reconciled. We had to make numerous adjustments to the above accounts in order to prepare the financial reports at year end.

Conclusion

As noted in the financial statements, the General Fund unreserved fund deficit decreased by \$205,726 in 1992; from \$687,309 to \$481,583. We commend responsible officials and employees for a job well done. The first year of a three-year program to eliminate the accumulated deficit at December 31, 1991, is on track.

There have been many improvements made in the overall record-keeping system of the Town. However, as pointed out in this report, many improvements must still be made. We believe that there is a definite need for a full-time Town Accountant position. The individual should possess a fund accounting background and be totally familiar with generally accepted accounting principles. Presently the Town Administrator has apparently assumed responsibility for certain aspects of the internal financial reporting, while the part-time Consultant/Bookkeeper maintains parts of a general ledger.

We perceive that a strong accountant would be totally responsible for all the accounting data emanating from the system. The Town Administrator should simply review and analyze the internal financial reports.

We continue to recommend a periodic monitoring of the record-keeping system in order to assure that improvements are continuing as recommended.

This report is intended solely for the information and use of management and others within the administration. This restriction is not intended to limit distribution of this report, which is a matter of public record.

February 4, 1993

Dodick & Sanderson
Professional Association

Plodzik & Sanderson Professional Association

193 North Main Street Concord, N.H. 03301 (603) 225-6996

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL PRESENTATION

To the Members of
the Board of Selectmen
Town of Epping
Epping, New Hampshire

We have audited the accompanying general purpose financial statements of the Town of Epping as of and for the year ended December 31, 1992, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1B, the general purpose financial statements referred to above do not include the General Fixed Assets Account Group, which should be included to conform with generally accepted accounting principles. The amount that should be recorded in the General Fixed Assets Account Group is not known. Also, proprietary fund fixed asset additions were not recorded in 1991 and 1992 and fixed asset records are not maintained. Previous auditors' workpapers were utilized for the presentation of figures for this financial report.

In our opinion, except for the effect on the financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Epping as of December 31, 1992, and the results of its operations (and cash flows of its proprietary fund types and nonexpendable trust funds) for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Epping. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

February 4, 1993

Plodzik & Sanderson
Professional Association

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GENERAL PURPOSE
FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF EPPING, NEW HAMPSHIRE
Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1992

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
<u>ASSETS AND OTHER DEBITS</u>		
<u>Assets</u>		
Cash and Equivalents	\$ 549,881	\$19,535
Investments		6,058
Receivables (Net of		
<u>Allowances For Uncollectibles)</u>		
Taxes	2,285,995	
Accounts		
Intergovernmental	2,881	
Interfund Receivable	14,181	254
Prepaid Items	25,614	
Fixed Assets		
Accumulated Depreciation		
<u>Other Debits</u>		
Amount To Be Provided For		
Retirement of General Long-term Debt		
TOTAL ASSETS AND OTHER DEBITS	<u>\$2,878,552</u>	<u>\$25,847</u>
<u>LIABILITIES, EQUITY</u>		
<u>AND OTHER CREDITS</u>		
<u>Liabilities</u>		
Accounts Payable	\$ 29,899	\$ 574
Accrued Payroll and Benefits	14,158	
Intergovernmental Payable	2,155,903	
Interfund Payable	21,975	5 018
Escrow and Performance Deposits		
Deferred Revenues		
Tax Anticipation Notes Payable	1,100,000	
General Obligation Debt Payable		
Capital Leases Payable		
Compensated Absences Payable		
Total Liabilities	<u>3,321,935</u>	<u>5,592</u>
<u>Equity and Other Credits</u>		
Contributed Capital		
<u>Retained Earnings</u>		
Reserved For Special Purposes		
Unreserved		
<u>Fund Balances</u>		
Reserved For Endowments		
Reserved For Encumbrances	38,200	
Reserved For Special Purposes		
Unreserved		
Designated For Special Purposes		20,255
Undesignated (Deficit)	(481,583)	
Total Equity and Other Credits	<u>(443,383)</u>	<u>20,255</u>
TOTAL LIABILITIES,		
EQUITY AND OTHER CREDITS	<u>\$2,878,552</u>	<u>\$25,847</u>

Proprietary Fund Type Enterprise Funds		Fiduciary Fund Types	Account Group	Total (Memorandum Only)
Water Department	Sewer Department	Trust and Agency	General Long- Term Debt	
\$ 5,024	\$ 68,080	\$ 46,809 87,256	\$	\$ 689,329 93,314
				2,285,995
37,787	50,929			88,716
6,021	48,803	15,700		2,881
				84,959
235,241	2,038,260			25,614
(29,434)	(600,189)			2,273,501
				(629,623)
			<u>638,988</u>	<u>638,988</u>
<u>\$254,639</u>	<u>\$1,605,883</u>	<u>\$149,765</u>	<u>\$638,988</u>	<u>\$5,553,674</u>
\$ 527	\$ 6,271	\$	\$	\$ 37,271
491	1,159			15,808
		10,858		2,166,761
48,803	9,163	39,206		84,959
	6,335			39,206
				6,335
				1,100,000
			592,000	592,000
			44,458	44,458
			2,530	2,530
<u>49,821</u>	<u>22,928</u>	<u>50,064</u>	<u>638,988</u>	<u>4,089,328</u>
	1,410,976			1,410,976
	38,925			38,925
204,818	133,054			337,872
		68,697		68,697
		31,004		38,200
				31,004
				20,255
<u>204,818</u>	<u>1,582,955</u>	<u>99,701</u>		<u>(481,583)</u>
				<u>1,464,346</u>
<u>\$ 254,639</u>	<u>\$1,605,883</u>	<u>\$149,765</u>	<u>\$638,988</u>	<u>\$5,553,674</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT B
TOWN OF EPPING, NEW HAMPSHIRE
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended December 31, 1992

	<u>Governmental Fund Types</u>		<u>Total</u>
	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>(Memorandum Only)</u>
<u>Revenues</u>			
Taxes	\$5,594,253	\$	\$5,594,253
Licenses and Permits	317,866		317,866
Intergovernmental	281,896		281,896
Charges For Services	41,372	1,165	42,537
Miscellaneous	37,952	2,566	40,518
<u>Other Financing Sources</u>			
Operating Transfers In	<u>10,431</u>	<u>30,029</u>	<u>40,460</u>
<u>Total Revenues and</u> <u>Other Financing Sources</u>	<u>6,283,770</u>	<u>33,760</u>	<u>6,317,530</u>
<u>Expenditures</u>			
<u>Current</u>			
General Government	372,432	104	372,536
Public Safety	392,005	1,359	393,364
Highways and Streets	149,072		149,072
Sanitation	231,319		231,319
Health	45,779		45,799
Welfare	34,844		34,844
Culture and Recreation	19,661	32,461	52,122
Conservation		1,372	1,372
Debt Service	344,032		344,032
Capital Outlay	15,900		15,900
Intergovernmental	4,407,306		4,407,306
<u>Other Financing Uses</u>			
Operating Transfers Out	<u>28,518</u>		<u>28,518</u>
<u>Total Expenditures and</u> <u>Other Financing Uses</u>	<u>6,040,868</u>	<u>35,296</u>	<u>6,076,164</u>
<u>Excess (Deficiency) of Revenues</u> <u>and Other Financing Sources</u> <u>Over (Under) Expenditures</u> <u>and Other Financing Uses</u>	242,902	(1,536)	241,366
<u>Fund Balances - January 1</u>	<u>(686,285)</u>	<u>21,791</u>	<u>(664,494)</u>
<u>Fund Balances - December 31</u>	<u>\$ (443,383)</u>	<u>\$20,255</u>	<u>\$ (423,128)</u>

The notes to the financial statements are an integral part of this statement.

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EXHIBIT C
TOWN OF EPPING, NEW HAMPSHIRE
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (GAAP Basis)
General and Special Revenue Funds
For the Fiscal Year Ended December 31, 1992

	General Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$5,632,918	\$5,594,253	\$(38,665)
Licenses and Permits	247,000	317,866	70,866
Intergovernmental	281,761	281,896	135
Charges For Services	38,000	41,372	3,372
Miscellaneous	9,100	37,952	28,852
<u>Other Financing Sources</u>			
Operating Transfers In	10,000	10,431	431
<u>Total Revenues and Other Financing Sources</u>	<u>6,218,779</u>	<u>6,283,770</u>	<u>64,991</u>
<u>Expenditures</u>			
<u>Current</u>			
General Government	413,284	372,432	40,852
Public Safety	413,810	392,005	21,805
Highways and Streets	159,722	149,072	10,650
Sanitation	236,736	231,319	5,417
Health	45,856	45,779	77
Welfare	44,100	34,844	9,256
Culture and Recreation	32,512	19,661	12,851
Conservation			
Economic Development	750		750
Debt Service	379,833	344,032	35,801
Capital Outlay	16,524	15,900	624
Intergovernmental	4,407,306	4,407,306	
<u>Other Financing Uses</u>			
Operating Transfers Out	31,170	28,518	2,652
<u>Total Expenditures and Other Financing Uses</u>	<u>6,181,603</u>	<u>6,040,868</u>	<u>140,735</u>
<u>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</u>	37,176	242,902	205,726
<u>Fund Balances - January 1</u>	<u>(686,285)</u>	<u>(686,285)</u>	
<u>Fund Balances - December 31</u>	<u>\$ (649,109)</u>	<u>\$ (443,383)</u>	<u>\$205,726</u>

Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$	\$	\$	\$5,632,918	\$5,594,253	\$(38,665)
			247,000	317,866	70,866
			281,761	281,896	135
	1,165	1,165	38,000	42,537	4,537
	2,566	2,566	9,100	40,518	31,418
<u>31,170</u>	<u>30,029</u>	<u>(1,141)</u>	<u>41,170</u>	<u>40,460</u>	<u>(710)</u>
<u>31,170</u>	<u>33,760</u>	<u>2,590</u>	<u>6,249,949</u>	<u>6,317,530</u>	<u>67,581</u>
	104	(104)	413,284	372,536	40,748
	1,359	(1,359)	413,810	393,364	20,446
			159,722	149,072	10,650
			236,736	231,319	5,417
			45,856	45,779	77
			44,100	34,844	9,256
29,170	32,461	(3,291)	61,682	52,122	9,560
2,000	1,372	628	2,000	1,372	628
			750		750
			379,833	344,032	35,801
			16,524	15,900	624
			4,407,306	4,407,306	
<u> </u>	<u> </u>	<u> </u>	<u>31,170</u>	<u>28,518</u>	<u>2,652</u>
<u>31,170</u>	<u>35,296</u>	<u>(4,126)</u>	<u>6,212,773</u>	<u>6,076,164</u>	<u>136,609</u>
	(1,536)	(1,536)	37,176	241,366	204,190
<u>21,791</u>	<u>21,791</u>	<u> </u>	<u>(664,494)</u>	<u>(664,494)</u>	<u> </u>
<u>\$21,791</u>	<u>\$20,255</u>	<u>\$(1,536)</u>	<u>\$ (627,318)</u>	<u>\$ (423,128)</u>	<u>\$204,190</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT D
TOWN OF EPPING, NEW HAMPSHIRE
Combined Statement of Revenues, Expenses
and Changes in Retained Earnings/Fund Balances
All Proprietary Fund Types and Similar/Nonexpendable Trust Funds
For the Fiscal Year Ended December 31, 1992

	<u>Proprietary Fund Type</u>	
	<u>Enterprise Funds</u>	
	<u>Water</u>	<u>Sewer</u>
	<u>Department</u>	<u>Department</u>
<u>Operating Revenues</u>		
<u>Charges For Sales and Services</u>		
User Charges	\$ 60,677	\$131,992
Rent of Town Property		
Miscellaneous	835	92
New Funds		
Interest and Dividends		
<u>Total Operating Revenues</u>	<u>61,512</u>	<u>132,084</u>
<u>Operating Expenses</u>		
Cost of Sales and Services		
Salaries and Wages	25,880	39,799
Contracted Services	5,117	8,048
Maintenance and Repairs	701	4,842
Chemicals and Supplies	8,412	8,366
Utilities	9,057	19,312
Administration	9,062	7,516
Depreciation	7,826	42,394
<u>Trust Income Distributions</u>		
Support of Schools		
<u>Total Operating Expenses</u>	<u>66,055</u>	<u>130,277</u>
<u>Operating Income (Loss)</u>	<u>(4,543)</u>	<u>1,807</u>
<u>Nonoperating Revenues</u>		
Interest Revenue	<u>1,493</u>	<u>4,620</u>
<u>Net Income (Loss)</u>		
<u>Before Operating Transfers</u>	<u>(3,050)</u>	<u>6,427</u>
<u>Operating Transfers</u>		
Transfers Out		
<u>Net Income (Loss)</u>	<u>(3,050)</u>	<u>6,427</u>
<u>Retained Earnings/Fund Balances -</u>		
<u>January 1 - (as Restated Note 9)</u>	<u>207,868</u>	<u>165,552</u>
<u>Retained Earnings/</u>		
<u>Fund Balances - December 31</u>	<u>\$204,818</u>	<u>\$171,979</u>

Fiduciary Fund Type
Nonexpendable
Trust Funds

Total
(Memorandum Only)

\$	\$192,669
9,698	9,698
	927
6,582	6,582
<u>3,870</u>	<u>3,870</u>
<u>20,150</u>	<u>213,746</u>
	65,679
	13,165
	5,543
	16,778
	28,369
	16,578
	50,220
<u>516</u>	<u>516</u>
<u>516</u>	<u>196,848</u>
19,634	16,898
<u> </u>	<u>6,113</u>
19,634	23,011
<u>(11,942)</u>	<u>(11,942)</u>
7,692	11,069
<u>92,009</u>	<u>465,429</u>
<u>\$ 99,701</u>	<u>\$476,498</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT E
TOWN OF EPPING, NEW HAMPSHIRE
Combined Statement of Cash Flows
All Proprietary Fund Types and Similar/Nonexpendable Trust Funds
For the Fiscal Year Ended December 31, 1992

	<u>Proprietary Fund Type</u>	
	<u>Enterprise Funds</u>	
	<u>Water</u>	<u>Sewer</u>
	<u>Department</u>	<u>Department</u>
<u>Cash Flows From Operating Activities</u>		
Cash Received From Customers and Users	\$ 57,547	\$ 157,315
Cash Payments for Goods and Services	(55,369)	(111,915)
Interest and Dividends Received		
New Funds Received		
Trust Income Distributions		
Operating Transfers In - From Other Funds		
Operating Transfers Out - To Other Funds		
<u>Net Cash Provided By Operating Activities</u>	<u>2,178</u>	<u>45,400</u>
<u>Cash Flows From Investing Activities</u>		
Proceeds From Sales and Maturities of		
Investment Activities		
Purchase of Investment Securities		
Interest Received	1,493	4,620
<u>Net Cash Provided in Investing Activities</u>	<u>1,493</u>	<u>4,620</u>
<u>Net Increase In Cash</u>	<u>3,671</u>	<u>50,020</u>
<u>Cash - January 1</u>	<u>1,353</u>	<u>18,060</u>
<u>Cash - December 31</u>	<u>\$ 5,024</u>	<u>\$ 68,080</u>
<i>Reconciliation of Net Operating Income to Net Cash Provided (Used) by Operating Activities</i>		
<u>Net Operating Income</u>	<u>\$ (4,543)</u>	<u>\$ 1,807</u>
<u>Adjustments to Reconcile Net Income to Net</u>		
<u>Cash Provided (Used) by Operating Activities</u>		
Depreciation Expense	7,826	42,394
<u>(Increase) Decrease in Receivables</u>		
Accounts	(3,964)	25,230
(Increase) Decrease in Due from Other Funds	(6,021)	(28,805)
Increase (Decrease) in Accounts Payable	264	564
Increase (Decrease) in Accrued Salaries	491	1,159
Increase (Decrease) in Due to Other Funds	8,125	(3,284)
Increase (Decrease) in Deferred Revenues		6,335
<u>Total Adjustments</u>	<u>6,721</u>	<u>43,593</u>
<u>Net Cash Provided By Operations</u>	<u>\$ 2,178</u>	<u>\$ 45,400</u>

Fiduciary Fund Type
Nonexpendable
Trust Funds

Total
(Memorandum Only)

\$	\$ 214,862
	(167,284)
3,870	3,870
6,582	6,582
(516)	(516)
9,698	9,698
<u>(11,942)</u>	<u>(11,942)</u>
<u>7.692</u>	<u>55.270</u>

6,831	6,831
(4,745)	(4,745)
<u> </u>	<u>6.113</u>

<u>2.086</u>	<u>8.199</u>
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9,778	63,469
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<u>13.525</u>	<u>32.938</u>
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<u>\$ 23.303</u>	<u>\$ 96.407</u>
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<u>\$ 7.692</u>	<u>\$ 4.956</u>
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	50,220
	21,266
	(34,826)
	828
	1,650
	4,841
<u> </u>	<u>6,335</u>

<u> </u>	<u>50.314</u>
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<u>\$ 7.692</u>	<u>\$ 55.270</u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Epping, New Hampshire was incorporated on February 4, 1741, and operates under a Selectmen form of government.

The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Governmental Reporting Entity

For financial reporting purposes, in conformity with the National Council on Governmental Accounting Statement Number 3, *Defining the Governmental Reporting Entity*, the Town of Epping includes all funds, account groups, agencies, boards, commissions, authorities, and other potential component units that are controlled by or dependent on the Town's executive or legislative branches. Control by or dependence on the Town is determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Town, obligation of the Town to finance any deficits that may occur, or receipt of significant subsidies from the Town.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The basic--but not the only--criterion for including a potential component unit in the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to influence operations significantly, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

The following organization is not part of the Town and is excluded from the accompanying financial report:

Epping School District

The School District is excluded from the Town's reporting entity, because the Town does not exercise any oversight or control over District activities. Further, the Town has no responsibility for the budget, debt, financing deficits or fiscal

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

management of the School District. Additionally, the Town does not influence the operation of the District in any respect other than to pay over District Assessments as requested by the School District.

B. Basis of Presentation - Fund Accounting

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped by type in the financial statements. The following fund types and account groups are used by the Town:

Governmental Fund Types

Governmental Funds are those through which most governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources, and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the Town's Governmental Fund Types:

General Fund - The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The following funds are included in this fund type:

- Harvey Mitchell Memorial Library
- Conservation Commission
- Cemetery Trustees
- Police Drug Enforcement
- Road Impact

Proprietary Fund Types

Proprietary Funds - These funds account for operations that are organized to be self-supporting through user charges. The Enterprise Funds are included in this category.

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

Enterprise Funds - These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Water and Sewer Department Funds are included in this fund type.

Fiduciary Fund Types

Fiduciary Fund Types - These funds account for assets held by the Town as a trustee or agent for individuals, private organizations, and other units of governments.

The following funds are included in this fund type:

Nonexpendable Trust Funds

Town Trusts

Expendable Trust Funds

Capital Reserve

Agency Fund

Developers' Performance Bonds

Account Groups

Account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations. The Town uses the following account groups:

General Fixed Assets Account Group - General fixed assets have been acquired for general governmental purposes and have been recorded as expenditures in the fund making the expenditure. These expenditures are required to be capitalized at historical cost in a General Fixed Asset Group of Accounts for accountability purposes. In accordance with the practices followed by most other municipal entities in the State, the Town does not maintain a record of its general fixed assets and, accordingly, a statement of general fixed assets, required by generally accepted accounting principles, is not included in this financial report.

General Long-Term Debt Account Group - This account group is established to account for all long-term debt of the Town.

Total Columns (Memorandum Only) on Combined Statements

Amounts in the "Totals (Memorandum Only)" columns in the combined financial statement line items of the fund types and account groups are presented for analytical purposes only. The summation includes fund types and account groups that use different bases of accounting, includes interfund transactions that have not been eliminated and the caption "amounts to be provided", which is not an asset in the usual sense. Consequently, amounts shown in the "Totals (Memorandum

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

Only)" columns are not comparable to a consolidation and do not represent the total resources available or total revenues and expenditures/expenses of the Town.

C. Measurement Focus/Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets. For Proprietary Fund Types, the measurement focus is on the determination of net income.

All Nonexpendable Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

The accounts of the Governmental, Expendable Trust, and Agency Funds are maintained and reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Application of the "susceptibility to accrual" criteria requires judgement, consideration of the materiality of the item in question, and due regard for the practicality of accrual, as well as consistency in application. Those revenues susceptible to accrual are taxes, intergovernmental revenues, charges for services and interest revenue. Licenses and permits and most other local source revenues are not susceptible to accrual, because generally they are not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred. Accumulated unpaid vacation and sick pay, and principal and interest on general long-term debt are recorded as fund liabilities when due. All Nonexpendable Trust and Proprietary Funds are accounted for using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

D. Budgetary Accounting

General Budget Policies

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town's operations. At its annual meeting, the Town adopts a budget for the current year. Budgets are adopted on a basis consistent with generally accepted accounting principles.

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

Management may transfer appropriations between operating categories as they deem necessary. All annual appropriations lapse at year-end unless encumbered. Expenditures may not legally exceed budgeted appropriations in total.

State Statutes require balanced budgets, but provide for the use of beginning General Fund unreserved fund balance to achieve that end. In 1992, the beginning General Fund balance was applied as follows:

Beginning Fund Balance -	
Reserved for Encumbrances	<u>\$1,024</u>

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures and are therefore reported as part of the fund balance at December 31 and are carried forward to supplement appropriations of the subsequent year.

Reconciliation of Town Budget to GAAP Basis of Accounting

The Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (GAAP Basis) present comparisons of the legally adopted budget as adjusted to present the budget on the GAAP basis with actual data on a GAAP basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles ("GAAP"), reconciliations of the excesses (deficiencies) of revenue and other sources of financial resources over (under) expenditures and other uses of financial resources for the year ended December 31, 1992 were required as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Total Appropriations budgetary basis (legally adopted budget)	\$6,218,779	\$31,170
Adjusted to restate budget to GAAP basis		
Carryover appropriations		
Reserve for encumbrances beginning of period	1,024	
Reserve for encumbrances end of period	<u>(38,200)</u>	
Total Appropriations - GAAP Basis	<u>\$6,181,603</u>	<u>\$31,170</u>

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

E. Assets, Liabilities and Fund Equity

Cash and Equivalents

The Town Treasurer is authorized by State statutes to invest excess funds "in obligations of the U.S. Government, in savings bank deposits of banks incorporated under laws of the State of New Hampshire or in certificates of deposits of banks incorporated under the Laws of the State of New Hampshire or in national banks located within the Commonwealth of Massachusetts."

For financial reporting purposes, cash and equivalents include amounts in demand deposits and money market funds, as well as certificates of deposit and short-term investments with original maturities of 90 days or less.

Investments

The Town is authorized by State statute to invest Trust Funds, except Capital Reserve Funds, in obligations of political subdivisions and stocks and bonds that are legal for investment by New Hampshire savings banks. Capital Reserve Funds must be kept separate and not intermingled with other Trust Funds. Capital Reserve Funds may be invested only in savings bank deposits of New Hampshire banks, or in United States or State of New Hampshire bonds or notes.

Investments are stated at cost or, in the case of donated investments, at the market value on the date of bequest or receipt.

Receivables

Revenues for the most part are recorded when received, except for the following items for which receivables have been recorded:

- a. Tax revenue is recorded when a warrant for collection is committed to the Tax Collector. However, a reserve for uncollectible taxes has been recorded for potential future abatements amounting in total to \$301,019.

The National Council on Governmental Accounting, Interpretation 3, referring to property tax revenue recognition, requires disclosure if property taxes receivable, which are to be collected beyond a period of 60 days subsequent to year's end, are recognized on the balance sheet and not reserved. In accordance with the practice followed by other municipal entities in the State of New Hampshire, the Town of Epping annually recognizes all taxes receivable at the end of the fiscal year unless reserved as explained above.

The Town believes that the application of NCGA Interpretation 3, which would result in a decrease in the undesignated General Fund unreserved fund balance, would give a misleading impression of the Town's ability to meet its current and future obligations. On December 7, 1984, the Governmental Accounting Standards Board (GASB), in response to a related inquiry, gave justification

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

for this deviation from the generally accepted 60-day rule on revenue recognition, concluding that the circumstances relating to the responsibility for and the payment of intergovernmental expenditures in New Hampshire were unusual and therefore justified a period of greater than 60 days. This practice is consistent with the previous year.

As prescribed by law, the Tax Collector places a lien on properties for all uncollected property taxes in the following year after taxes are due. The lien on these properties has priority over other liens and accrues interest at 18% per annum.

If property is not redeemed within the 2-year redemption period, the property is tax-deeded to the Town.

- b. Various service charges (water and sewer) are recorded as revenue for the period when service was provided. The receivables for such services are shown on the balance sheet.

Interfund Receivables and Payables

During the course of normal operations, the Town has transactions between funds, including expenditures and transfers of resources to provide services and fund capital outlay. The accompanying governmental, proprietary, and fiduciary fund financial statements reflect such transactions as transfers. To the extent that certain transactions have not been paid or received as of December 31, balances of interfund amounts receivable or payable have been recorded.

Inventories

Inventory in the General and Special Revenue Funds consists of expendable supplies held for consumption. The cost thereof has been recorded as an expenditure at the time individual inventory items were purchased.

Fixed Assets and Depreciation Expense

All fixed assets are valued at historical cost, or estimated historical cost, if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Sewer and Water Systems	50 years
Equipment	10 years

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

The costs of normal maintenance and repairs that do not add to the value of the asset or extend the asset's life are not capitalized.

Deferred Revenue

The government reports deferred revenue on its combined balance sheet. Deferred revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenue also arises when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Long-Term Liabilities

General Obligation Debt - General obligation bonds, notes, capital leases, and other forms of long-term debt supported by general revenues are obligations of the Town as a whole. Accordingly, such unmatured obligations of the Town are accounted for in the General Long-Term Debt Group of Accounts.

Compensated Absences - It is the Town's policy to permit some employees to accumulate a limited amount of earned but unused vested benefits, which will be paid to the employees upon separation from the Town's service. In Governmental Fund Types and Fiduciary Fund Types, the cost of vested benefits paid or expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability of the fund. Amounts of vested or accumulated leave benefits that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive benefits.

Fund Equity

The portion of fund balance which has been legally segregated for a specific future use, or which indicates that a portion is not appropriable for expenditures, is shown as reserved. The following reserves were used by the Town during the year:

Reserved for Endowments - represents the balance of Nonexpendable Trust Funds of which the principal must be held for investment and for which only the income may be expended for specific purposes.

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

Reserved for Encumbrances - is used to account for open purchase orders, contracts and other commitments at year end for which goods and services have not been received.

Reserved for Special Purposes - is used to account for unencumbered balance of restricted funds. These include the uncommitted balances of bond proceeds, grant revenues and the Town's Expendable Trust Funds.

Revenues, Expenditures and Expenses

Substantially all governmental fund revenues are accrued except for miscellaneous fees, permits, fines and charges for services which are reported on the cash basis in the General Fund. Property taxes are reflected on the modified accrual basis of accounting as explained above.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balances

There is a deficit of \$481,583 in the General Fund at December 31, 1992.

This has been caused primarily by prior years' overdrafts of appropriations and revenue deficits. During 1992, the Town had a revenue surplus of \$64,991 and an unexpended balance of appropriations of \$140,735. As detailed on Exhibit A-3, the two amounts combined for a total 1992 budget surplus of \$205,726. As in 1992, management intends to work with the Department of Revenue Administration when setting the 1993 tax rate with the intention of reducing the deficit even further by the end of the next fiscal year.

B. Excess of Expenditures Over Appropriations

The following Special Revenue Funds had an excess of expenditures over appropriations for the year ended December 31, 1992:

Harvey Mitchell Memorial Library	\$3,291
Cemetery Trustees	44
Police Drug Enforcement	1,359
Road Impact	<u>60</u>
<u>Total All Special Revenue Funds</u>	<u>\$4,754</u>

Overexpenditures occurred primarily due to the receipt and expenditure of unanticipated funds or the expenditure of existing fund equity.

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

NOTE 3 - ASSETS

A. Cash and Equivalents

At year end, the Town's cash deposits categorized according to risk assumed were as follows:

- Category 1* Includes deposits that are insured (Federal Depository Insurance).
- Category 2* Includes deposits that are uninsured, but are collateralized by securities held by the pledging financial institution, its trust department or agent in the Town's name.
- Category 3* Includes deposits that are uninsured and uncollateralized.

	<u>Category</u>			<u>Total</u>	
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Bank Balance</u>	<u>Book Balance</u>
Bank deposits	<u>\$149,891</u>	<u>\$-0-</u>	<u>\$519,574</u>	<u>\$669,465</u>	<u>\$689,329</u>

B. Investments

Investments made by the Town are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk into three categories as follows:

- Category 1* Includes investments that are insured or registered, for which the securities are held by the Town or its agent in the Town's name.
- Category 2* Includes uninsured and unregistered investments, for which the securities are held by the broker, counter party's trust department or agent in the Town's name.
- Category 3* Includes uninsured and unregistered investments, for which the securities are held by the broker, counter party, counter party's trust department, or agent, but not in the Town's name.

	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Certificates of Deposit	<u>\$73,314</u>	<u>\$-0-</u>	<u>\$-0-</u>	\$73,314	\$73,314
Mutual Funds				<u>20,000</u>	<u>20,000</u>
<u>Total Investments</u>				<u>\$93,314</u>	<u>\$93,314</u>

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

C. Property Taxes

The property tax year is from April 1 to March 31 and all property taxes are assessed on the inventory taken in April of that year.

The Town subscribes to the semi-annual method of tax collection as provided for by RSA 76:15-a. Under this method, tax bills are sent on or around May 1 and November 1 of each year, with interest accruing at a rate of 12% on bills outstanding for more than 30 days.

The May 1 billing is considered an estimate only and is one half of the previous year's tax billing. The remaining balance of taxes due is billed in the fall after the State Department of Revenue Administration has calculated and approved the Town's tax rate for the fiscal year.

In connection with the setting of the tax rate, the New Hampshire Department of Revenue Administration establishes and raises through taxation an amount for abatements and refunds of property taxes, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any tax reserves at year end. The property taxes collected by the Town include taxes levied for the Epping School District and Rockingham County, which are remitted to these governmental units as required by law. The ultimate responsibility for the collection of taxes rests with the Town.

The tax rate for the year ended December 31, 1992, was as follows:

Municipal Portion	\$ 6.26
School Tax Assessment	17.66
County Tax Assessment	<u>.93</u>
<u>Total</u>	<u>\$24.85</u>

As prescribed by law, within 18 months of the date assessed, the Tax Collector places a lien on properties for all uncollected property taxes in the following year after taxes are due. The lien on these properties has priority over other liens and accrues interest at 18% per annum. If property is not redeemed within the 2-year redemption period, the property is tax-deeded to the Town.

During the current fiscal year, the Tax Collector on March 6, 1992, placed a lien for all uncollected 1991 property taxes.

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

Taxes receivable at December 31, 1992, are as follows:

Property Taxes	\$1,441,206
Unredeemed Taxes	996,355
Land Use Change Taxes	143,422
Yield Taxes	6,031
Less: Reserve for estimated uncollectible taxes	<u>(301,019)</u>
<u>Total Receivable</u>	<u>\$2,285,995</u>

D. Accounts Receivable

Accounts receivable as of December 31, 1992, are as follows:

<u>Proprietary Fund Type</u>	
<u>Enterprise Funds</u>	
Water Department	\$37,787
Sewer Department	<u>50,929</u>
<u>Total Accounts Receivable</u>	<u>\$88,716</u>

E. Interfund Receivables/Payables

Individual fund interfund receivable and payable balances at December 31, 1992 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$14,181	\$21,975
<u>Special Revenue Funds</u>		
Harvey Mitchell Memorial Library		5,018
Cemetery Trustees	254	
<u>Proprietary Fund Type</u>		
<u>Enterprise Funds</u>		
Water Department	6,021	48,803
Sewer Department	48,803	9,163
<u>Agency Fund</u>		
Developers' Performance Bond	<u>15,700</u>	
<u>Totals</u>	<u>\$84,959</u>	<u>\$84,959</u>

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

F. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God. During 1992, the Town was a member of the New Hampshire Municipal Association Property-Liability Insurance Trust, Inc. and the compensation funds of the New Hampshire Worker's Compensation Fund. These two entities are considered public entity risk pools, currently operating as a common risk management and insurance program for member towns and cities.

The Compensation Fund was organized to provide statutory Worker's Compensation coverage and is self-sustaining through annual member premiums. The Property-Liability Insurance Trust, Inc. provides certain property and liability coverage. The program includes a Loss Fund from which is paid up to \$200,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000. Reinsurance is secured from other insurance companies for incurred losses over \$200,000. For the year ended June 30, 1989, the program includes Loss Funds from which is paid up to \$150,000 for each and every covered property, crime and liability loss that exceeds \$1,000.

Both fund agreements permit the pool to make additional assessments to members should there be a deficiency in trust assets to meet its liabilities. At this time, the Trust foresees no likelihood of an additional assessment in any of the past years.

The Town continues to carry commercial insurance for all other risks of loss, including employee and public official fidelity bonds, health and accident insurance.

NOTE 4 - LIABILITIES

A. Intergovernmental Payable

Payables due other governments at December 31, 1992 include:

<u>General Fund</u>	
School District Assessment	\$2,155,903
<u>Capital Reserve Fund</u>	
School District Account	<u>10,858</u>
<u>Total Intergovernmental Payable</u>	<u>\$2,166,761</u>

B. Defined Benefit Pension Plan

Plan Description and Provisions

Substantially all Town employees participate in the State of New Hampshire Retirement System (the System), a multiple-employer cost-sharing public employee

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

retirement system (PERS). The payroll for Town employees covered by the System for the year ended December 31, 1992, was \$323,692; the Town's total payroll was \$530,580.

All Town full-time employees are eligible to participate in the System. The System is divided into two employee groups; Group I - teachers and all other employees except firefighters and police officers, and Group II - firefighters and police officers.

Group I Employees who retire at or after age 60 are entitled to retirement benefits equal to 1.667% of the average of their three highest-paid years of compensation, multiplied by their years of service. Earlier retirement allowances at reduced rates are available after age 45 with 10 years of service. Benefits fully vest upon reaching 20 years of service or attaining age 60.

Group II Employees are subject to the same age and vesting requirements as Group I employees. They are, however, entitled to retirement benefits equal to 2.5% of the average of their three highest-paid years of service, multiplied by their years of service, not to exceed 40.

The System also provides death and disability benefits, and cost-of-living increases have been periodically granted to retirees by the State Legislature.

Description of Funding Policy

The System is financed by contributions from both the employees and the Town. By State statute, Group I employees are required to contribute 5% of gross earnings up to the Social Security taxable wage limit, with 9.2% of the excess wages. Group II employees are required to contribute 9.3% of gross earnings. The Town must contribute the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended December 31, 1992, was as follows:

Town's Portion	\$12,234
Employees' Portion	<u>23,297</u>
<u>Total</u>	<u>\$35,531</u>

The amount shown as "pension benefit obligation" in the System's financial statements is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation at June 30, 1991, for the

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

System as a whole, determined through an actuarial valuation performed as of that date, was \$1,676.3 million. The System's net assets available for benefits on that date (valued at market) were \$1,467.2 million. The System holds none of the Town's securities.

Trend Information

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is available for only four years and is presented in the System's June 30, 1991, annual financial report (the latest year available).

Deferred Compensation Plan - The Town offers its Town Administrator a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits the Town Administrator to defer a portion of his salary until future years. The deferred compensation is not available until termination, retirement, death, or unforeseeable emergency.

The plan is administered by an independent company, and the Town remits all compensation deferred to this administrator for investment as requested by the participant employee. All compensation deferred and funded under the plan, all investments purchased and all income attributable thereto are solely the property and rights of the Town (until paid or made available to the employee or other beneficiary), subject only to the claims of the Town's general creditors. Participants' rights under the plan are equal to those of general creditors of the Town in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of Management that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Town believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

In addition to the New Hampshire Retirement System, contributions were made to the following plans as indicated:

	<u>Employee</u>	<u>Employer</u>
Phoenix Fund	\$7,153	\$7,921
ICMA	<u>480</u>	<u>1,713</u>
<u>Total Contributions</u>	<u>\$7,633</u>	<u>\$9,634</u>

C. Long-Term Debt

The following is a summary of the Town's General Long-Term Debt Account Group transactions for the fiscal year ended December 31, 1992.

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1992

	<u>Bonds Payable</u>	<u>Capital Leases Payable</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
<i>General Long-Term Debt Account Group</i>				
Balance, Beginning of Year	\$753,000	\$36,480	\$	\$789,480
Issued		21,605		21,605
Retired	161,000	13,627		174,627
Net increase in compensated absences payable			<u>2,530</u>	<u>2,530</u>
Balance, End of Year	<u>\$592,000</u>	<u>\$44,458</u>	<u>\$2,530</u>	<u>\$638,988</u>

Long-term debt payable at December 31, 1992, is comprised of the following individual issues.

<u>Description of Issue</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Outstanding at 12/31/92</u>
<i>General Obligation</i>					
<u>Long-Term Debt Payable</u>					
Sewer	\$120,000	1974	1994	5.00	\$12,000
Sewer	\$207,512	1986	1995	7.30-7.80	60,000
Road Reconstruction	\$500,000	1990	1995	6.90	300,000
Capital Improvement Bonds	\$325,000	1989	1999	6.75-6.80	<u>220,000</u>
<u>Total General</u>					
<u>Obligation Debt Payable</u>					\$592,000
<u>Capital Leases Payable</u>					
Caterpillar 416					
Backhoe Loader	\$45,600	1991	1995		\$ 27,360
Office Equipment	\$14,000	1992	1995		11,862
Computer Equipment	\$ 7,605	1992	1994		<u>5,236</u>
<u>Total Capital Leases Payable</u>					<u>44,458</u>
<u>Compensated Absences Payable</u>					<u>2,530</u>
<u>Total General Long-Term Debt Account Group</u>					<u>\$638,988</u>

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

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Annual Requirements To Amortize General Obligation Debt

The annual requirements to amortize all general obligation debt outstanding as of December 31, 1992, including interest payments, are as follows:

General Long-Term Debt Account Group

<u>Fiscal Year Ending December 31.</u>	<u>General Obligation Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1993	\$161,000	\$ 40,810	\$201,810
1994	161,000	29,748	190,748
1995	150,000	18,645	168,645
1996	30,000	8,160	38,160
1997	30,000	6,120	36,120
1998-1999	<u>60,000</u>	<u>6,120</u>	<u>66,120</u>
Totals	<u>\$592,000</u>	<u>\$109,603</u>	<u>\$701,603</u>

Annual Requirements To Amortize Capital Leases

<u>Fiscal Year Ending December 31.</u>	<u>Capital Leases</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1993	\$16,153	\$2,659	\$18,812
1994	16,647	1,564	18,211
1995	<u>11,658</u>	<u>422</u>	<u>12,080</u>
Totals	<u>\$44,458</u>	<u>\$4,645</u>	<u>\$49,103</u>

All debt is general obligation debt of the Town, which is backed by its full faith and credit. The Town's management has determined that the Enterprise Fund debt will be funded through general governmental revenues and therefore, the corresponding long-term debt liability is recorded in the General Long-Term Debt Account Group and not on the balance sheet of the Enterprise Fund.

All lease-purchase agreements contain non-appropriation funding clauses whereby, in the event no funds or insufficient funds are appropriated by the Town, the lease shall terminate without penalty or expense to the Town.

Legal Debt Margin

The amount of long-term debt that can be incurred by the Town is limited by State law. Except as otherwise provided, Town borrowing in general may not exceed one and seventy-five hundredths percent (1.75%) of the valuation of property based upon the applicable locally assessed valuation of the municipality as last equalized by the Commissioner of Revenue Administration. At December 31, 1992,

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the Town of Epping is using an equalized value of \$200,459,505 and a legal debt margin of \$3,508,041.

NOTE 5 - SHORT-TERM DEBT

A. Tax Anticipation Notes Payable

State Statutes allow the Town to incur debt up to the amount of the current property tax levy, or the amount of the prior-year levy if the tax amount has not been determined for the current year at the time of borrowing, in anticipation of the taxes in order to pay current maintenance and operation expenses. Notes issued in accordance with these statutes are general obligations of the Town.

The following bond anticipation note payable was outstanding at December 31, 1992:

<u>Amount</u>	<u>Interest Rate</u>	<u>Date Due</u>
<u>\$1,100,000</u>	6.0%	July 15, 1993

NOTE 6 - FUND EQUITY

A. Reservations of Fund Balances

Reserve for Encumbrances

Funds encumbered at year end were as follows:

General Fund	<u>\$38,200</u>
--------------	-----------------

Reserved for Special Purposes

In the Trust Funds, the reserve for special purposes represents the unspent balance of the Town's Trust Funds which may be spent for the purposes specified as follows:

Non-Expendable Trust Funds (Income Balances)

Perpetual Care	\$28,418
Town Worthy Poor	468
Support of Schools	671
Support of Schools & Library	277
Support of Library	638
Support of Town Churches	14
Miriam Jackson Park	<u>518</u>

<u>Total</u>	<u>\$31,004</u>
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Reserved for Endowments

The reserved for endowments at December 31, 1992 represents the principal amount of all Nonexpendable Trust Funds which is restricted either by law or by terms of

TOWN OF EPPING, NEW HAMPSHIRE

NOTES TO THE FINANCIAL STATEMENTS

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individual bequests, in that only income earned may be expended. The principal balances of the Town's Nonexpendable Trust Funds at December 31, 1992 are detailed as follows:

<u>Purpose</u>	<u>Principal</u>
Perpetual Care	\$25,220
Town Worthy Poor	10,389
Support of Schools	10,513
Support of Schools & Library	6,126
Support of Library	14,102
Support of Town Churches	122
Miriam Jackson Park	<u>2,225</u>
<u>Total</u>	<u>\$68,697</u>

Designated for Special Purposes

The \$20,255 designated for special purposes represents Special Revenue Fund balances which management intends to use in the subsequent years is as follows:

<u>Special Revenue Funds</u>	
Harvey Mitchell Memorial Library	\$ 1,220
Conservation Commission	6,663
Cemetery Trustees	254
Police Drug Enforcement	1,479
Road Impact	<u>10,639</u>
<u>Total</u>	<u>\$20,255</u>

NOTE 7 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. Litigation

There are various claims and suits pending against the Town which arise in the normal course of the Town's activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the Town.

B. Tax Appeal

A condominium association has an appeal before the State of New Hampshire - Tax and Land Appeal Board. The appeal is over an assessed valuation of \$5,300,000. Management has stated that this could have a potentially negative effect to the Town by as much as \$120,000.

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NOTES TO THE FINANCIAL STATEMENTS

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NOTE 8 - RESTATEMENT OF RETAINED EARNINGS - SEWER DEPARTMENT

Sewer Department retained earnings at January 1, 1992, were restated to give retroactive effect to the following prior period adjustment:

	Proprietary Fund Type <u>Enterprise Fund</u> Sewer <u>Department</u>
Adjustment to recognize additional reduction in contributed capital	\$ 79,710
Retained Earnings as previously stated	<u>85,842</u>
Retained Earnings as restated	<u><u>\$165,552</u></u>

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distributions of disbursements so that management can verify that a budget exists before approval is given.

4. *Cancellation of Invoices*

There were a few invoices found during our testing of disbursements that we did not consider to have been properly cancelled.

Recommendation

We recommend that all invoices be clearly marked paid with check number, amount, and date of payment to prevent possible duplicate payments from occurring.

5. *Properly Recorded Disbursements*

The general ledger was out of balance with the Treasurer's records by approximately \$200,000. A majority of this imbalance was due to manual checks which were written and cancelled, but never recorded in the general ledger. For example, a check to the school district for \$177,000, and debt service payments totalling approximately \$60,000, were found to be paid but never recorded. Again, as noted previously, because the general ledger was not balanced with the Treasurer's records, errors went undetected.

Recommendation

All payments by check (manual or computer-generated), or wire transfers, should be recorded in the general ledger. As previously stated, errors of non-posting would have been detected if the cash accounts were reconciled to the general ledger balances during the year. We do wish to stress that direct bank transfers for debt service payments be discouraged.

C. *BILLINGS AND RECEIVABLES*

Significant internal accounting controls include segregation of duties, monthly reconciliation of subsidiary records to control accounts, billing rate control, and control of receipts for miscellaneous transactions.

We have evaluated the internal controls identified in the preceding sentence and found the following material weaknesses:

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1. *Tax Collector - Billings, Collections, and Reconciliation of
Subsidiary Records to Control Accounts*

In addition to the comments below, we refer you to the previous auditor's "Tax Collector's Performance Audit Report", dated November 7, 1991, for other comments regarding the Tax Collector's office.

- a. RSA 41:35 states that "...the tax collector shall make a written report (MS-61) to the town at the end of every fiscal year detailing all the transactions associated with the taxes committed to the tax collector. No report of this nature was prepared by the Tax Collector. We spent a considerable amount of time in attempting to prepare this report at year end. This MS-61 report is an integral part of the reconciliation process of the general ledger.

The internal controls over the tax collection process were extremely poor in 1991. Interest revenue was lost during the year, because the computer system was not used often in the calculation of interest due, and because collection of interest on delinquent accounts was inconsistent and not properly administered.

- b. Added taxes were not formally committed using standard procedures.
- c. Not all abatements/adjustments were approved by the Board of Selectmen during the year. Several thousands of dollars were adjusted for many different reasons. Although the reasons appear to have been valid, the authority for such adjustments must come from the Board of Selectmen.
- d. Current Use Tax and Yield Tax bills committed to the Tax Collector were not entered into the Tax Collector's computerized system, and control over the collection of these taxes is nonexistent. Additional time was spent reconciling and retrieving information relating to unpaid tax bills to prevent potential loss of revenue to the Town. For example, our review of land use change tax warrants disclosed approximately \$154,000 of previous years (after 1987, but prior to 1991), which were not shown in the general ledger or the previous financial report as due the Town.

Recommendation

For proper internal accounting control, the Tax Collector should complete an MS-61 report monthly to reconcile revenues and receivables to the general ledger control accounts. Any variance

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should be investigated on a timely basis and resolved. This process will eliminate a considerable amount of time at year end, and also will help to keep audit costs down.

The Tax Collector's computerized system should be used to calculate all interest due. Apparently, the computer software has complications in handling partial payments of interest. This situation should be addressed by the Town and the computer software company so that proper entries are recorded and so that no interest revenue is lost.

All tax commitments, abatements, and refunds due to the overpayment of taxes or the abatement process should be approved by a majority of the Board of Selectmen. The Department of Revenue Administration could be contacted to give guidance on proper forms of committing taxes to the Tax Collector, if required. Finally, we recommend that all taxes committed to the Tax Collector be entered on the computerized system, if possible. Additional control would result by having all commitments on one system.

2. Water/Sewer Rents - Billings and Collections

- a. Warrants were not committed to the clerk responsible for the collection of rents.
- b. Abatements were applied to accounts without formal approval from the Water/Sewer Commissioners. Apparently, in 1991, no formal policy existed in this department.
- c. "Rebills" for engineering expenses incurred by the Town on behalf of contractors/developers were not formally controlled to insure that the Town did not incur expenses that were not reimbursed by the party that the service benefitted.
- d. No revenue report is prepared that summarizes the total amounts received during the year. The total should agree with the year-to-date amount deposited in the bank.
- e. Some receipts for water and sewer billings are paid by customers with only one check. The clerk for the water and sewer department often incorrectly deposited amounts to the separate water and sewer fund checking accounts, because exact amounts of the two different deposits cannot be obtained with the breakdown of cash and checks received. No formal internal control procedures were in place that would alleviate this problem.

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- f. Septic Hauler Fees were deposited to the Water Department checking account in error. The amounts should have been credited to the Sewer Department.

Recommendation

As previously recommended in comment A2, we recommend that the water/sewer warrants be committed to the Tax Collector and abatements relating to the Water and Sewer Department billings be handled in the same manner as property tax abatements. We recommend that escrow deposits be set up for all engineering and other expenses of this nature, so that the Town will not incur any non-reimbursable expenses. The number of checking accounts should be limited, and the interfund capabilities of the computer system need to be utilized more effectively. This would alleviate many of the material weaknesses listed above. Lastly, Water and Sewer billings should be reconciled in the same manner as property taxes.

3. *Water and Sewer Departments - Billing Rate Control*

The Water and Sewer Departments are considered Enterprise Funds. Enterprise Fund expenses are primarily to be financed or funded through user charges. The Water Department over-expended its 1991 budget by approximately \$19,000 and had a revenue shortfall of approximately \$19,000. The combination on these factors reduced retained earnings in the Water Department by \$38,000 during 1991. Depreciation expense is not budgeted for in either Department.

Recommendation

The Water and Sewer Departments officials need to assess more accurately their operating budgets so that revenues are comparable to expenditures. Billing rates need to be adjusted so that these departments become self-supporting as intended. We recommend that the Commissioners actively monitor the budgets for both revenues and expenses in the future to eliminate the reoccurrence of this situation.

Also, if it is the intention of the Water and Sewer Commissioners to issue general obligation debt to finance capital improvements and not recapture annual depreciation expenses through user rates, which is current practice, we recommend that consideration be given to report these departments as Special Revenue Funds rather than Enterprise Funds. Fixed assets and corresponding depreciation expense relating to the fixed assets are not reported in Special Revenue Funds.

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4. *Control for Receipts of Miscellaneous Transactions*

Several Town Departments issue billings for services or goods provided. Control over these receipts is weak. Several receipts tested in this area indicated that collections occurred several months after the date of billing. It does not appear that the Accounting Department had much control over the billing and collecting of these types of transactions during the year.

Recommendation

The Accounting Department should oversee all of the Town's miscellaneous billings, not including the Tax Collector's commitments. Pre-numbered bills should be utilized, and transactions should be incorporated into the general ledger or another subsidiary control account in an attempt to have proper internal accounting control over these receivables. A policy relating to delinquent payments should be formally established, and it should be approved by the Board of Selectmen.

D. *PROPERTY AND EQUIPMENT*

Significant internal accounting controls include authorization for capital expenditures, maintenance of detailed records of fixed assets, and utilization of equipment in the operation of programs for which it was acquired.

We have evaluated the internal controls identified in the preceding sentence and found the following material weaknesses:

1. *General Fixed Asset Accounting*

The Town does not maintain a record of its general fixed assets as required by generally accepted accounting principles. Fixed assets are reflected in the enterprise funds. However, no additions or deletions were added in 1991 and no formal records were likewise maintained for the general fixed asset group of accounts or the Enterprise Funds.

Recommendation

In order to conform with generally accepted accounting principles, a detailed record of general fixed assets should be maintained. Consideration should be given to valuing the inventory of the existing assets, and setting policies for capitalization and elimination of items from the records. Also, water and sewer fixed assets should be reflected in the records of the respective funds if considered as Enterprise Funds.

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E. OTHER ITEMS

1. Approval for Library Expenditures

During our testing of the library expenditures which were paid out of the library's checking account, we noted that several of the invoices were not formally approved by a majority of the Library Trustees.

Recommendation

We recommend that the Library Trustees formally approve all invoices prior to disbursement of funds.

2. Payroll

a. Federal I-9 Forms

Our testing of the payroll records revealed that not all employees who are required to have a completed Federal I-9 Form (Employment Eligibility Verification) had one on file.

b. W-4 Forms

Our testing of the payroll records revealed that not all employees had a completed W-4 Form on file.

c. Timely Filing of Quarterly 941 Forms

The third and fourth quarter 941 Forms were not completed until March 1992. A penalty and interest for late filing of these forms could be assessed to the Town by the Internal Revenue Service.

d. Library Employees

Library employees were considered as independent contractors for 1991. These employees were issued 1099 Forms for wages at December 31, 1991. Our testing of the 1099 forms issued found that one employee was not issued a 1099 for the total of wages paid for custodial services amounting to \$880. Subsequent to our testing and discussion with a Library Trustee, a 1099 Form was issued for the above mentioned contractor.

e. Time Sheet Approvals

Many Town employee timesheets are not formally approved by the appropriate department official.

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Recommendation

We recommend that all appropriate payroll-related forms and procedures be completed timely and retained as prescribed by Federal and State guidelines. Library Employees are Town employees and should be included in the Town's payroll process as all other Town departments are. Library Employees should be issued a standard W-2 form at year end. The Town should adopt a personnel policy relating to time sheet approval. The department head should formally approve all hours and rates of pay before timesheets are turned in to the accounting department for processing.

3. Tax Lien Procedures

- a. The real estate tax lien process, which was held in April 1991, did not contain notices to the mortgagees.
- b. The real estate tax lien process dictates that, when a tax lien is redeemed, the Tax Collector is to notify the Registry of Deeds within 30 days after redemption. Many notices to the Registry of Deeds were not sent within 30 days of redemption.
- c. There was no indication that Barrington Notices were sent to delinquent tax payers in 1991 for all unpaid prior years taxes.

Recommendation

The Tax Collector must follow the regulations of the tax lien process as prescribed in the RSA's. Tax Deeding procedures can be jeopardized if all aspects of the tax lien process are not followed properly.

4. Custody of Town Cash/Checking Accounts

There are several Town accounts that are not presently in the custody of the Town Treasurer but are currently in the custody of other Town Officials. For example, the Conservation Commission, Police Drug Enforcement, Town Clerk, Water, and Sewer accounts are in the custody of someone other than the Treasurer. Also, the Town does not have any other protection of its accounts besides the standard FDIC insurance.

Recommendation

As stated previously, RSA 41:29 under Treasurer's duties and responsibilities states that "The Treasurer shall have custody of all monies belonging to the Town." We again recommend that accounts be limited to only the amount required by State Statute and that the

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interfund capabilities of the general ledger system be utilized more effectively. As noted in the Notes to the Financial Statements, Note 3A, the Town has approximately \$261,000 which is not covered by FDIC insurance. We recommend that the Town consider collateralizing its funds for additional protection.

5. *Violation of the Municipal Budget Act*

As noted in the Notes to the Financial Statements, and as detailed on Exhibit A-2, the Town has over-expended the 1991 general fund budget by approximately \$187,000. Apparently, the general fund budget has been over-spent the past three years in violation of the Municipal Budget Act. These over-expenditures have been a major source of the current unreserved-undesignated deficit fund balance of \$687,309.

Recommendation

Responsible officials must be more realistic in budget forecasting and live within the approved final budget. The Board of Selectmen, Budget Committee, and the Town Administrator need to work together with the Department of Revenue Administration to reduce this deficit fund balance. We are available to provide technical assistance to the Town and will assist in this process as well.

6. *Water and Sewer Department Accounting Records*

The accounting records for these departments, as detailed in many comments above, need to be improved.

Recommendation

We recommend that all accounting records be handled through the Accounting Department of the Town to be incorporated completely within the general ledger system. Separate monthly reports should be made available to the Commissioner for review and scrutiny.

7. *General Ledger - Monthly Reconciliation*

The general ledger system is ineffective if not properly reconciled to subsidiary records on a timely basis. The general ledger system had several items not posted, as mentioned previously in this report, and the prior auditor's adjustments were never recorded on the computer system. These transactions rendered the general ledger balances to be unreliable, and other means of preparing the financial statements of the Town had to be utilized.

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Recommendation

Finally, we close this report with the recommendation that we monitor the Town's financial statements on a quarterly basis. We will assist the Town in adopting the recommendations above and in reconciling the general ledger to subsidiary control accounts. We will also provide technical assistance to new officials and personnel, which should prove beneficial.

In closing, we would like to express our appreciation to those persons whose cooperation and assistance have helped us to achieve efficiencies in completing our audit.

After you have reviewed our report, we would be pleased to meet with you to discuss any questions that you might have.

Very truly yours,

Philip R. Anderson
Professional Association

TOWN OF EPPING, NEW HAMPSHIRE

PURPOSE AND LIMITATIONS OF REVIEW

The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Town's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The management of the Town is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the Town taken as a whole. However, our study and evaluation disclosed conditions that we believe result in more than a relatively low risk that errors or irregularities in amounts that would be material in relation to the financial statements of the Town may occur and not be detected within a timely period.

These conditions are described in the preceding report and were considered in determining the nature, timing and extent of the audit tests to be applied in our audit of the 1991 financial statements. This report does not affect our report on these financial statements dated April 8, 1992.

The preceding report is intended solely for the use of management and should not be used for any other purpose. This restriction is not intended to limit distribution of this report, which, upon acceptance by the Members of the Board is a matter of public record.

PLACE OF MARRIAGE		NAME OF GROOM & BRIDE		DATE OF BIRTH OF EACH		NAME OF PARENTS		BY WHOM MARRIED	
DATE									
1/11/92	Hampton, NH	Michael Lamparelli	Kathleen A. Weber	12/8/59	9/23/61	Frank Lamparelli Maria Baldassarre Lawrence A. Weber Marguerite M. Calkins	Jane Kelley Hampton, NH Justice of the Peace		
3/13/92	Hampstead, NH	Richard O. Wilcox	Marilyn N. Marsh	5/9/54	2/4/67	James O. Wilcox Laura E. Amiraull Charlotte A. Marsh	Carlos F. Paz Hampstead, NH Reverend		
4/11/92	Brentwood, NH	Thomas Samuel Morin	Kimberly Ruth Cole	3/29/69	9/17/64	Robert P. Morin Jr. Patricia D. Comarado Arthur M. Cole Gail Virginia Snow	James R. Barnes Northwood, NH Reverend		
4/17/92	Brentwood, NH	Armond Wilfred Latour	Pamela Ann Gray	7/8/55	6/20/58	Robert Eugene Latour Nathalie Marlene Morrision William Chase Moore Jr Mary Jane Gervais	Patricia A. Wood Epping, NH Justice of the Peace		
5/4/92	Epping, NH	John Pierce Dollard Jr	Victoria Lee Bernier	8/24/67	3/5/67	John Pierce Dollard Betty Jane Terrio Marcell E. Bernier Linda Lee Mailhot	Ronald Coriveau Epping, NH Catholic Priest		
5/8/92	Epping, NH	Michael Arthur Holloway	Grace Ardra Callahan	10/9/61	3/19/67	Richard Holloway Eloise Hammonds Kevin Dhnal Callahan Grace Ardra Cosseboom	Ronald Coriveau Epping, NH Catholic Priest		
5/22/92	Epping, NH	Bruce Allen Dolliver	Catherine Margaret Downs	6/13/66	1/26/55	Arthur Bert Dolliver Marilla Agnes Boyce Chester P. McNabb Margaret J. Murphy	James Stirling Epping, NH Pastor		

DATE	PLACE OF MARRIAGE	NAME OF GROOM & BRIDE	DATE OF BIRTH OF EACH	NAME OF PARENTS	BY WHOM MARRIED
5/30/92	Manchester, NH	David W. Hoey Deborah A. StClair	6/17/64 5/15/68	Robert N. Hoey Mary Frances Imbrogno Emile C. StClair Carol Blanchette	Clyde G. Masterson Manchester, NH Catholic Priest
6/6/92	Epping, NH	John Thomas Genna Cynthia Ann Metrolis	1/20/54 10/16/56	Anthony J. Genna Katherin Kellerther Carl Wilbur Gruber Anna Louise Guinther	Patricia A. Wood Epping, NH Justice of the Peace
6/13/92	Jackson, NH	Jonathan Allen Jost Lynn Marie Stearney	3/27/58 4/21/59	John Frederick Jost Sally Louise Wheeler Harry Raymond Stearney Leila Vivian Pellegrini	Robert W. Karnan Portsmouth, NH Minister
6/13/92	Nottingham, NH	Lawrence A. Henderson Connie D. Nesbitt	10/22/63 8/1/57	Alonzo William Henderson Nadeen Arnold James M. Nesbitt Pauline J. Sanborn	William H. Curtis Nottingham, NH Pastor
6/13/92	Hampton, NH	David C. Daniels Lisa D. Lapre	12/29/63 7/8/66	Claude M. Daniels Rachel Ancitil Arthur F. Lapre Sybil Wade	George E. Ham Hampton, NH Catholic Priest
6/20/92	Portsmouth, NH	Joseph R. Bellows Tammy A. Parenteau	1/17/60 4/6/66	Kuster J. Bellows Lillian F. Viel Raymond M. Parenteau Lucille J. Bernier	John S. Gilchrist, Jr. Atkinson, NH Justice of the Peace
6/21/92	Exeter, NH	Russell William Kenney III Sharon Lynn Poliquin	9/5/56 10/30/65	Russell William Kenney Jr CorDellia Maria Davis Nelson Lester Poliquin Mary Rose Elianne Crimard	Daniel V. Weaver Exeter, NH Pastor

DATE	PLACE OF MARRIAGE	NAME OF GROOM & BRIDE	DATE OF BIRTH OF EACH	NAME OF PARENTS	BY WHOM MARRIED
6/26/92	Epping, NH	Lyman William Lovlien Beatrice Cecile Chapman	5/9/35 6/30/39	Ludvig Lovlien Emma Demick Etlen R. Lebeau Arietta Paul	Beatrice L. Ross Epping, NH Justice of the Peace
6/27/92	Kingston, NH	Norman Edward Vine Elinore Margaret Duffey	5/26/38 9/23/44	Norman Samuel Vine Isabel Marie Kelleher Horace G. Cushing Josephine C. Altonsi	Randal D. Wilkinson Salem, MA Episc. Priest
6/27/92	Epping, NH	Peter L. Contrastano Avis L. Rosenfield	12/28/60 3/28/51	James L. Contrastano Regina M. Colabella Herbert E. Rosenfield Mary E. Burgess	John Hoar, Jr. Epping, NH Justice of the Peace
7/10/92	Epping, NH	Robert Edward Whaream Sr. Priscilla Hope Justus	4/4/30 2/25/40	William D. Whaream Daisy L. Buckman Francis D. Slagle Anna Eldorea Mendenhall	Warren E. Cottrell Jr. Exeter, NH Justice of the Peace
7/11/92	Kingston, NH	Harold A. Nelson Mildred M. Nelson	4/29/37 9/22/24	Arther C. Nelson Hazel F. Johnson Vernon H. Pinder Iness R. Holland	Wendell J. Irvine Raymond, NH Minister
7/17/92	Portsmouth, NH	George Ronald Josnston Tamela Jean Bartlett	10/26/57 9/25/59	George Kenneth Johnston Emma Anna Zavala Alden Melton Sanborn Joyce Karen Rhodes	Carrie M. Kane Hampton, NH Justice of the Peace
8/8/92	Epping, NH	Stephen Robert Simpson Holly Jean Brisson	12/6/59 12/15/62	Robert Lloyd Simpson Virginia Ruth Brooks Charles Alfred Brisson Barbara Jean Pendergrace	James Stirling III Epping, NH Pastor

DATE	PLACE OF MARRIAGE	NAME OF GROOM & BRIDE	DATE OF BIRTH OF EACH	NAME OF PARENTS	BY WHOM MARRIED
8/8/92	Epping, NH	Joseph David Sytek Megan Anne Morrisette	11/8/63 12/31/66	Richard Sytek Sylvia Peaslee Norman Joseph Morrisette Iris Prickett	Robert B. Donovan Exeter, NH Justice of the Peace
8/29/92	Epping, NH	Frank W. Reid Jr Laurie Eillyn Smith	11/3/56 4/4/58	Frank W. Reid Eileen Cadreau Thomas W. Smith Joan Freeman	Richard R. Rondeau Danville, NH Justice of the Peace
8/29/92	Manchester, NH	Eric Robert Hutchinson Mary Margaret Leddy	11/9/67 11/6/68	Eric Robert Hutchinson Jr. Gretchen Rae Howe Joseph Charles Leddy Susanne Deborah Cook	G.E. Auger Manchester, NH Resident Pastor
9/4/92	New London, NH	Peter Paul Connolly Lydia Marie Rodriguez	1/17/55 9/9/54	John Joseph Connolly Jr. Maria Muriel Turner Arthur John Rodriguez Carmen Barrios	Christina M. Pollock Concord, NH Justice of the Peace
9/12/92	Epping, NH	Thomas Michael Joyce Sandra L. Savage	9/14/40 10/5/39	John V. Joyce Arlene E. Dwyer John R. Savage Dorothy E. Hindes	Brian D. Kenyon Brentwood, NH Justice of the Peace
9/18/92	Pelham, NH	James H. Fisher, Jr. Tracy E. Simiele	5/9/66 9/28/66	James H. Fisher Sr. Betsinda Dorsey Richard M. Simiele Sandra R. Flynn	Virginia R. Traversy So. Pelham, NH Justice of the Peace
9/19/92	Epping, NH	John Francis Carr Sandra Virginia Murby	8/28/50 7/7/61	Robert Francis Carr Edna Grenier Ernest Murby Virginia Ruth Hill	Francis T. Uva Manchester, NH Justice of the Peace

DATE	PLACE OF MARRIAGE	NAME OF GROOM & BRIDE	DATE OF BIRTH OF EACH	NAME OF PARENTS	BY WHOM MARRIED
9/20/92	Portsmouth, NH	Gary Mitchell Poplawski Deanna Michelle Wer	8/21/72 7/9/73	Walter John Poplawski Dorothy Lamae Synoground Jose Wer Phyllis Adjutant	Marjorie L. Sandler Portsmouth, NH Justice of the Peace
9/26/92	Plaistow, NH	Brian Keith Ray Bonnie Jean DeBrase	7/29/60 11/26/65	Alonzo Judson Ray Karen Lee Paknaude Daniel Anthony DeBrase Marilyn Jean MacIntosh	Robert E. Aspinwall Plaistow, NH Clergyman
10/11/92	Portsmouth, NH	Brian James Tibbetts Shannon Colleen O'Brien	6/2/61 2/9/70	Robert Bruce Tibbetts Carol Elizabeth McQueen Paul William O'Brien Judith Lee Chabra	Robert W. Karman Portsmouth, NH Minister
10/24/92	Epping, NH	James William Carr Julie Andrea Biello	6/1/53 10/3/52	Richard Joseph Carr Nancy E. Simms Jules Andre Cartier Rita Blanche Bean	James Stirling III Epping, NH Pastor
10/24/92	Fremont, NH	Stanley Franklin Balcom Suzanne Marie Beheyt	12/28/54 1/26/66	Stanley Balcom Dawn Reinhart Larry A. Gildner Nancy Wickizer	Harold E. Small Fremont, NH Minister of Gospel
11/26/92	Epping, NH	Paul Roy Denoncour Darlene S. Chambers	2/12/59 10/5/53	Herbert N. Denoncour Olive M. Hersey Percey R. Chambers Beverly R. Sherman	Janet H. Beaulieu Raymond, NH Justice of the Peace
12/31/92	Kingston, NH	Walter Thurland Ricker Connie Starr Chase	1/16/66 8/14/64	Walter Thurland Ricker Avis Irene Eddy Edson Burton Chase Dorothy Elizabeth Beal	Wendell J. Irvine Raymond, NH Minister

DATE	PLACE OF MARRIAGE	NAME OF GROOM & BRIDE	DATE OF BIRTH OF EACH	NAME OF PARENTS	BY WHOM MARRIED
12/31/92	Raymond, NH	Virgil Samuel Purcell	6/9/55	Wallace Richard Purcell Carrie Helen Puterbaugh	Janet H. Beaulieu Raymond, NH
		Judith Marie Steinman	10/5/61	Ernest LaVern Steinman Alice Jean White	Justice of the Peace

DATE	PLACE OF BIRTH	NAME OF CHILD	NAME OF FATHER MAIDEN NAME OF MOTHER
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1/7/92	Exeter, NH	Dylan Roger Turgeon	Roger J Turgeon Brenda Greta Smith
1/7/92	Portsmouth, NH	Isaac Andrew Fithian	Douglas James Fithian Andrea Katherine Boland
1/15/92	Manchester, NH	Nicholas George Smith	Lawrence George Smith Jr Kathleen Marie Warren
1/16/92	Exeter, NH	Thomas Daniel Bouchard	Alain Luc Bouchard Ruth Marie Porter
1/29/92	Exeter, NH	Samantha Ann Arsenaault	Paul Olin Arsenaault Stephanie Ann Boyle
1/29/92	Exeter, NH	Shannon Marie Larsen	Keith Lawrence Larsen Denise Anna Romeo
1/30/92	Manchester, NH	Megan Jean Boucher	Denis Joseph Boucher Lisha Marie Shoplak
1/31/92	Exeter, NH	Victoria Nancy Matthews	Neal Chester Matthews Michelle Anne Jean
2/3/92	Exeter, NH	Shannon Christine O'Donnell	Michael Scott O'Donnell Karen Beth Dewalt
2/4/92	Exeter, NH	Stephanie Victoria Seeley	James Patrick Seeley Lisa Ann Miller
2/4/92	Exeter, NH	Nicole Amber Seeley	James Patrick Seeley Lisa Ann Miller

DATE	PLACE OF BIRTH	NAME OF CHILD	NAME OF FATHER MAIDEN NAME OF MOTHER
2/10/92	Exeter, NH	Brendan Michael Colford	Michael Francis Colford Mary Ellen Rose
2/17/92	Exeter, NH	Daniel Joseph DeGrandpre	George Adrien DeGrandpre Karen Elizabeth Fitzgerald
2/19/92	Manchester, NH	Marissa Marie Bean	Robert Jason Bean Nancy Lee Gill
2/25/92	Portsmouth, NH	Brian James Fanning	Robert Kevin Fanning Melanie Anne Smith
2/27/92	Exeter, NH	Samantha Paige Jellison	David Carl Jellison Jr Marianne Theresa Doyle
2/27/92	Exeter, NH	Jaimie Marie Jellison	David Carl Jellison Jr Marianne Theresa Doyle
3/2/92	Exeter, NH	Dylan Vincent Tucker	Richard Vincent Tucker Catherine Lorraine Cragin
3/10/92	Manchester, NH	Nicholas Stephan Hebert	Jocelyn Gerart Hebert Kendra Lynn Farrington
3/14/92	Exeter, NH	Elizabeth Marie Biron	David Arthur Biron Jacqueline Marie Chevalier
3/15/92	Exeter, NH	Jessica Lee Gagnon	Jason Donald Gagnon Jacqueline Linda Eaton
3/19/92	Exeter, NH	Branden Jacob Grenier	Thomas Francis Grenier Bonnie Jean Ernest

DATE	PLACE OF BIRTH	NAME OF CHILD	NAME OF FATHER MAIDEN NAME OF MOTHER
3/22/92	Portsmouth, NH	Kristina Rose Wiggins	William Edward Wiggins Cynthia Maureen Threelon
3/23/92	Exeter, NH	Brianna Nicole Smith	James Peter Smith Wendy Marie Carroll
3/24/92	Portsmouth, NH	Kellie Marie Bradley	Jeffrey John Bradley Teresa Marie Walker
3/26/92	Exeter, NH	Corrie Rose Jolly	Leo Philip Jolly III Mary Emmett Dee
3/28/92	Exeter, NH	Kattie Bethanne Hutchinson	Bernard Lloyd Hutchinson Kelly Jeanne Lagasse
4/1/92	Manchester, NH	Andrew Swaggard Rice	Timothy Parsons Rice Melissa Sue Swaggard
4/4/92	Exeter, NH	Erin Michelle Carr	Douglas Patrick Carr Jennifer Hope Martell
4/8/92	Portsmouth, NH	Cailey Monique Kimball Frye	James David Frye Heather Lee McCarthy
4/9/92	Exeter, NH	Jocelyn April Ring Frederick	Glenn Douglas Frederick Crystal Ann Ring
4/17/92	Derry, NH	Brian Gregorgy Countey	John Robert Countey Diane Bartz
4/18/92	Exeter, NH	Donald Patrick Denman	John Edward Denman Cynthia Marie Desmarais

DATE	PLACE OF BIRTH	NAME OF CHILD	NAME OF FATHER MAIDEN NAME OF MOTHER
4/20/92	Exeter, NH	Emily Anne Davidson	Thomas Wayne Davidson Denise Maries Blades
4/28/92	Exeter, NH	Cameron Thomas McCusker	Timothy Patrick McCusker Cindy Marie Paquet
5/2/92	Portsmouth, NH	Zachary Robert Weiss	John Rayfiel Weiss Rickamae Birnbaum
5/4/92	Exeter, NH	Kayla Mae Woodbury	Scott Alexander Woodbury Casey Ann Sirois
5/8/92	Exeter, NH	Christa Mae Weaver	Samuel Richard Weaver Jr Martha Beth Harvey
5/9/92	Portsmouth, NH	Hillary Louise Kettlewood	Clayton Lee Kettlewood Deanne Louise Cross
6/23/92	Exeter, NH	Ryan Eric Dowling	Ralph Edward Dowling Elizabeth Robin Mayo
7/5/92	Exeter, NH	Kimberly Elizabeth Comtois	Charles Arthur Comtois Janice Elizabeth Mitchell
7/9/92	Manchester, NH	Robert Maxwell Ferry	Robert Alan Ferry Shannon Leigh Rowe
7/10/92	Exeter, NH	Derek Charles Mrasz	William Burton Mrasz Judith Ann Guest
7/11/92	Exeter, NH	Stephanie Paige Rohrdanz	Stephen Paul Rohrdanz Janet Mary Gillis

DATE	PLACE OF BIRTH	NAME OF CHILD	NAME OF FATHER MAIDEN NAME OF MOTHER
7/18/92	Manchester, NH	Charles Raymond Wentworth Jr	Charles Raymond Wentworth Lorraine Evelyn Callahan
7/23/92	Exeter, NH	Abigail Ruth Morrow	Richard Scott Morrow Patricia Ann Holt
8/4/92	Exeter, NH	Taryn Brier Wilson	Mark William Wilson Jane Margaret Lucas
8/7/92	Manchester, NH	Katharine Victoria Dodge	Gregory Charles Dodge Lisa Marguerite Marcou
8/12/92	Exeter, NH	Connor Michael Patton	Shawn Michael Patton Diana Marie Coleman
8/19/92	Exeter, NH	Anthony Ephrem Nadeau	Jeffrey Eugene Nadeau Sr Jerri-Lynn Bolduc
8/19/92	Rochester, NH	Jennifer Leigh Grigway	Richard Charles Grigway Jr Deborah Jean Sanville
8/28/92	Exeter, NH	Anthony John Tuttle	Dennis Alan Tuttle Jr Hope Langlois
8/31/92	Exeter, NH	Megan Margaret Lanouette	Paul Francis Lanouette Judith Ann Gagnon
9/2/92	Dover, NH	April Joyce Wasiewski	Arthur Joseph Wasiewski Debra Jean Rowell
9/5/92	Exeter, NH	Grace Mary Corcoran	David George Corcoran Susan Elizabeth Udell

DATE	PLACE OF BIRTH	NAME OF CHILD	NAME OF FATHER MAIDEN NAME OF MOTHER
9/15/92	Epping, NH	Eliathah Ner Boda	James Michael Boda Stephanie M Marinos
9/19/92	Exeter, NH	Amanda Leigh Harty	Daniel Joseph Harty Amy Kathleen Gholson
9/19/92	Exeter, NH	Nikolas Richard Guy	Paul Eugene Joseph Guy Jr Stephanie Ann Carter
9/19/92	Portsmouth, NH	James Curtis Dulin	Brian Arthur Dulin Danielle Marie Dulin
9/27/92	Exeter, NH	Joseph Edward Conley	Joseph Marc Conley Amy Catherine Boyd
9/28/92	Exeter, NH	Hannah Elizabeth-Mae Kimball	George Kenneth Kimball Susan Diane Hallock
10/2/92	Exeter, NH	Michael Davis Henry Bush	Steven Wayne Bush Veronica Lynn Cook
10/2/92	Portsmouth, NH	Mackenzie Andrew Cowcer	John Edward Cowcer Darlene Ann Cowcer
10/2/92	Portsmouth, NH	Ian Thomas Cowcer	John Edward Cowcer Darlene Ann Cowcer
10/12/92	Derry, NH	Shannon Diana Boggs	Gary Dana Boggs Cynthia Irene Gamache
10/21/92	Exeter, NH	Caitlin Elizabeth Philbrick	Daron Philbrick Ann Elizabeth Howard

DATE	PLACE OF BIRTH	NAME OF CHILD	NAME OF FATHER MAIDEN NAME OF MOTHER
11/1/92	Exeter, NH	Elizabeth Clare Deangelis	Matthew John Deangelis Susan Friedrich
11/7/92	Exeter, NH	James Richard Castline	Timothy John Castline Joni Lynn Sylvester
11/12/92	Exeter, NH	Retenah Maria Barnes	Heidi Jane Currier
11/12/92	Exeter, NH	Kathryn Marie Rajchel	Jan Joseph Rajchel Linda Margaret Annis
11/18/92	Exeter, NH	Tyler William Bolton	John Franklin Bolton Amy Eileen Bolton
11/20/92	Exeter, NH	Danielle Bennett	David Wayne Bennett Michele Irene Bennett
11/23/92	Epping, NH	Autumn Joy Kikel	Glenn Arthur Kikel Tamara Jane Kurth
12/29/92	Exeter, NH	Kyle Harris Pimentel	Christopher Pimentel Pamela Sue Pimentel

DATE OF DEATH	PLACE OF DEATH	NAME OF DECEASED	AGE	SEX	NAME OF FATHER	MAIDEN NAME OF MOTHER
2/5/92	Manchester, NH	Ruth N. Purington	77	F	Conrad Martin	Alberta Connors
2/29/92	Exeter, NH	Martha J. McGrath	68	F	William G. Braydon	Edna May Evans
2/13/92	Epping, NH	Simone G. Matson	64	F	Alexander K Provencal	Flora M. Pelchat
4/15/92	Epping, NH	Robert Arthur Dufour	60	M	Wilfred E. Dufour	Ida Harvey
5/4/92	Epping, NH	Roland E. Letourneau Sr.	60	M	Francis X. Letourneau	Rosanna Allard
5/4/92	Exeter, NH	Richard Stiles Brewitt	71	M	Thomas Brewitt	Elva Stiles
5/14/92	Brentwood, NH	Gertrude M. McNeil	70	F	George Doyle	Mary Dunne
5/18/92	Brentwood, NH	Florrie M. Robertson	79	F	Frederick Moncaster	Charlotte Hall
7/3/92	Exeter, NH	Rose Priscilla Jacques	88	F	Agenor Dorlet	Florida Lamothe
7/23/92	Exeter, NH	Bertram G. Gade	73	M	Gustav Gade	Esther Sandstro
9/15/92	Lebanon, NH	Naomi Ann Beals	30	F	Henry I Newman	Marion Philbrook
7/4/92	Brentwood, NH	Mabel L. Cook	89	F	David Casey	Bertha P. Abbott
9/1/92	Manchester, NH	Clarence E. Munroe	71	M	George Munroe	Hazel Wheeler
9/8/92	Epping, NH	Richard W. Castle	69	M	Edward Castle	Irene Freeman
11/14/92	Epping, NH	Albert J. Glennon	48	M	Albert J. Glennon	Anna Wells
12/5/92	Epping, NH	Rudolph H. Hetnar	75	M	Stanley Hetnar	Margaret Sekora
12/16/92	Epping, NH	Fred H. Rabey	92	M	Daniel Rabey	Maria Van Horn
12/24/92	Epping, NH	William Douglas Pippy	41	M	William J. Pippy	Clare B. Cushing
10/23/92	Brentwood, NH	Ruth Luthera Nash	94	F	Ned Gober	Juliatte Cone
10/10/92	Exeter, NH	Catherine H. Brehaut	90	F	George Farrell	Hattie Landry
12/7/92	Exeter, NH	Pauline Rubbo	77	F	Anthony Staschak	Sophie Milotska
12/30/92	Exeter, NH	Barbara A. Chaffee	60	F	Lionel Lumbra	Dorothy Vincent

ANNUAL REPORT

OF THE

EPPING SCHOOL DISTRICT

FOR THE FISCAL YEAR

July 1, 1991 to June 30, 1992

OFFICERS OF THE EPPING SCHOOL DISTRICT

1992 - 1993

Caroline Kiracofe	Term Expires 1994
Jennifer Yergeau, Chairperson	Term Expires 1993
Ronald Altoman	Term Expires 1993
Joseph Foley	Term Expires 1995
Lee Kearns	Term Expires 1995

SUPERINTENDENT OF SCHOOLS

Robert W. Retchless

ASSISTANCE SUPERINTENDENT OF SCHOOLS

Robert F. Bell

SPECIAL EDUCATION DIRECTOR

Leslie Derbyshire

ADMINISTRATORS

Andre Goyer, Principal Grades 1 - 5
Dr. Victor Petzy, Principal Grades 6 - 12
Anthony Silva, Assistant Principal Grades 6 - 12

TREASURER

Ellen White

MODERATOR

Harold LaPierre

CLERK

(Vacant)

MINUTES OF EPPING SCHOOL DISTRICT MEETING

MARCH 12, 1992

The School District Meeting held at the Howard Allen Gymnasium at Epping Middle-High School on March 12, 1992 was called to order at 7:15 p.m. by Moderator Harold LaPierre.

The Moderator read the results of the election:

SCHOOL DISTRICT MODERATOR - Harold LaPierre	750
Paul Spidle	339
SCHOOL BOARD	716
Joseph Foley	612
Lee Kearns	481
Donald Sisson	835
SCHOOL DIST. TREAS.	835
Ellen White	835
SCHOOL DIST. CLERK	835
Write Ins	835
Dawn Tuminowski	26
Grace Lavoie	20
Pamela Holmes	12

The Moderator then read the rules of the meeting.

The Moderator introduced Superintendent Robert Retchless; Special Ed. Director Michael Mezzocchi; Asst. Superintendent Robert Bell; School Board Members: Chairman Jennifer Yergeau; Ronald Altman; Lee Kearns; Joseph Foley; Caroline Kiracofe; and Budget Committee Members. He then introduced the three new Budget Committee members: Susan Russell, John Vitale and Robert Lamothe.

ARTICLE I

To hear the reports of agents, auditors and committees or officers chosen and pass any vote relating thereto. Chairman Yergeau made a motion to accept as read; seconded by Joseph Foley. Chairman Yergeau presented a gift to Harold Bowles for his dedicated service to the Epping School District. Chairman Yergeau read a letter from the Kingston School District to the townspeople stating that it currently does not have room for 200-300 students. They would need help from Epping to add on to their present facilities should Epping accept their offer in the future. Discussion followed.

ARTICLE II

To see if the School District will accept the provisions of RSA 198:20-b, providing that any School District at an Annual Meeting may adopt an article authorizing indefinitely, until specific rescission of such authority, the School Board to apply for, accept and expend, without further action by the School District, money from a State, Federal or other governmental unit or a private source which becomes available during the fiscal year. Motion was made by Chairman Yergeau; seconded by Joseph Foley. Discussion followed and the article was approved.

ARTICLE III

To see if the District will vote to authorize the School Board to apply for, accept and expend without further action by the School District Meeting, money from any source which becomes available during the 1992-93 school fiscal year provided that such expenditure be made for purposes for which a School District may appropriate money and that such expenditures not require the expenditure of other School District funds. Further, that the School Board hold a public hearing prior to accepting or spending such money. Motion was made by Ron Altman; seconded by Jennifer Yergeau. Discussion followed. Motion to table the article was made by Lorraine Rauh and passed. Article III was tabled.

ARTICLE IV

To see if the School District, pursuant to RSA 195:18 will vote to create a Co-operative School District Planning Committee consisting of three qualified voters of whom at least one shall be a member of the School Board: and to see if the District will vote to authorize the School District Moderator to appoint the members of the committee. Motion was made by Ronald Altman; seconded by Joseph Foley. Discussion followed and Article 4 was approved.

ARTICLE V

To see if the School District will vote to raise and appropriate a sum of \$4,874,000 for the support of schools, for the payment of salaries for the School District officials and agents, and for the payment of statutory obligations of the District. Motion was made by Chairman Yergeau; seconded by Caroline Kiracofe. Discussion followed. Motion to move the question was made by Lorraine Rauh; seconded by William Williamson. Question was moved. A hand vote was taken: NO - 95, YES - 140. Article 5 was approved (\$4,874,000.00)

Mr. Anthony Silva made a motion to adjourn the meeting; seconded by William Williamson. Unanimous decision to adjourn. The meeting was adjourned at 9:17 p.m.

Respectfully submitted

Carol O'Barton

SCHOOL BOARD'S RESPONSE TO AUDITOR'S RECOMMENDATION

PAYROLL MANIFESTS:

Since the Board does not know specifically who worked or didn't work on any given day, we depend on the School Administrators to provide a correct accounting of hours to the SAU office. The Board has authorized the Superintendent to review the time sheets and approve the payroll manifest. The auditor has said this is okay but that two members of the Board should sign the payroll manifest after the fact anyway. The Board will do this.

FOOD SERVICE REIMBURSEMENTS:

The auditor has recommended that all Federal and State funds be deposited in the cafeteria account directly, rather than going into the general fund and then being transferred to the cafeteria account. The Board has agreed to do this.

GENERAL ACCOUNTING SYSTEM:

The auditor has suggested improvements to the accounting system. The Board agrees with the auditors suggestions and is making improvements.

GENERAL FIXED ASSETS:

The auditor has suggested that the District should maintain "a complete and detailed record of its general fixed assets valued at historical cost". Like the Town and most other municipal organizations, we do not do this. Businesses do it so they may take depreciation charges from the federal income tax. To meet the auditor's suggestion would be quite expensive and difficult. The School has a general inventory value that is provided to the insurance company which insure the buildings and content.

SUPERINTENDENT'S REPORT

The 1992-93 school year has been one of change in Central Office staff, Special Education and Language Arts in grades 1,2 and 3.

The School Administrative Unit office has two new faces. Leslie Derbyshire replaced Mike Mezzocchi as Special Education Director and Cathy Tree has joined us as a part-time secretary. Ms. Derbyshire resides in Manchester, and was a Learning Disabilities Specialist in the Pelham School District. She brings a great deal of experience working with a mainstream or inclusionary program. Ms. Tree resides in Nottingham and was previously employed at Liberty Mutual Insurance Company.

Our SAU student population of 1,757 is up 26 students and appears to be stabilizing. There is little data to establish if this is a trend or the result of the times.

Special Education continues to be an area of concern in all three districts because of expense and a lack of understanding by the communities about Federal and State Laws mandating services. The citizens must understand that the education of students with disabilities is a civil rights issue and one that the Office of Civil Rights and our courts will deal with if not carried out. With the signing of the new Disabilities Act into law by President Bush, districts will be required to furnish more services which will increase demand on our resources. We are continuing to change programs and teacher training which will allow mainstream programs to be integrated into our schools. Although this will allow us to share resources, the communities must look at public kindergarten which would address many of the developmental problems that appear later as special education problems and requires more resources to correct.

The cost of special education is a large part of the budget. Some financial aid is received from the State and Federal Government, but the larger portion of the expenses are the responsibility of the local districts and must be paid by the local taxpayer.

Assistant Superintendent Bell reports that one of the major ways we are supporting the integration of special education students is through the assessment and constant improvement of our Language Arts Program. We are working with all three districts to develop extensive blocks of time and the most efficient use of resources to help children speak, listen, read, write and think to the best of their ability. We believe in the integration of all elements of language arts.

We are dedicated to the ongoing development and improvement of our Language Arts Program. We are promoting a process that will both help to integrate special needs students and help all students reach their highest potential.

The Office of the Superintendent will continue to work with each of the local communities to improve educational opportunities for all of your children. We would encourage parents and citizens of our member districts to become involved in your schools to build a better future for our state and country.

Respectfully submitted

Robert W. Retchless
Superintendent

PRINCIPAL'S REPORT - JANUARY 1993

The student population at Epping Middle-High School rose to 456 in 1992 (233 high school, 223 middle school). We graduated 29 seniors in June and greeted 85 sixth graders in September. With a graduating class of under 40, an expected sixth grade of 75, and new students from surrounding towns, we expect close to 500 in 1993.

Our facility continues to be well maintained, our attendance rate is above State average, and our dropout rate remains below it. Standardized test scores improved. Our students continue to bring recognition to our school and community through their successful performance in a variety of areas: regional writing and oratorical winners in contests sponsored by Cablevision and the Ladies Auxiliary of the Veterans of Foreign Wars; five all state musicians; state championship in boys basketball (second in a row and third in four years) and in baseball (first since 1966); a second state chess championship in two years; a third place finish in the Physics Olympics for the third year in a row; another excellent Shakespearean performance by our Dram Club.

We've continued our Student of the Month Program and held a special banquet to award academic letters to 19 students in recognition of their overall performance in 1991-92. The Bickford Memorial Scholarship Fund is approaching \$11,000 and in the past two years, we've given \$800 in scholarships from interest it has earned.

The UNH SEARCH Program for a group of 12 advanced seniors was a great success and is underway again this year. the new satellite was put into operation allowing us to retrieve special programming from across the country and to pilot two mathematics courses for credit. Next year we will use the satellite to offer several course, ranging from AP Calculus to Honors World History to Japanese II

Several new faculty members joined us in September: Andrea Ogden, Athletic Director and Physical Education/Health; Faith Day, French; Gail Gouveia, English; Judy Citron and Carol Francoeur, Special Education. In addition, we hired several new aides in special education: LeeAnn David, Letitia Rice, Misty Witham, Elaina Collins, and Cynthia McCarthy. In food services Madelyn Downing retired after may years of faithful service and Jean Thibeault has replaced her on the staff.

Epping Middle-High School has made a major commitment to acquiring accreditation status by the New England Association of Schools and Colleges (NEASC). Our faculty has begun work on a self-study in which we will assess all aspects of our school and community. Numerous committees are hard at work on developing profiles of our school and community, updating our philosophy, surveying students, faculty, parents and community members, assessing our programs against NEASC standards. In the Spring of 1994, a committee of educators set up through NEASC will visit our school for three days to review our work, to collect additional data, and to determine if we should be accredited.

With the changes at Epping Middle-High School in recent years and the continuing support of the community, the School Board and the SAU, we are confident that we easily will gain accreditation. We are grateful for the support and we look forward to making efforts to improve Epping Middle-High School in any way we can.

Respectfully submitted
Victor J. Petzy, Ph.D., Principal

EPHING ELEMENTARY SCHOOL REPORT

We began our year at Epping Elementary School with 397 students. This number was less than last year because of a smaller group of first graders.

In the past school year, we enjoyed many successful new programs. Friendship lunches with parents, grandparents and other adult friends were very popular. Our teaching staff has been working with a new program for gifted students called "Talents Unlimited". We also incorporated a new handwriting curriculum for all students.,

During the present year, the School Board has formed the Program Evaluation and Review Committee. the Committee is made up of Board members, parents, teachers and administrators. Its purpose is to look at the programs in the schools and suggest changes that will help us to continue toward our goal of excellence.,

We are pleased to welcome several new people to our staff this year. Mrs. Liz Perry is our new Chapter II/Language Arts Coordinator. Mrs. Dottie Dow and Mrs. Veo-Dao Goodrich are our new Office Aide and Secretary. Ms. Kecha Lamperis is our new Speech/Language Pathologist.

Extra curricular actives continue to be very popular with our students. We have continued activities such as "I Love to Read Month", "Native American Month", "International Month", "Drug Free Education Month", "Literacy Celebration Month", and a unit dealing with safety, appropriate for all age levels.

A special thanks goes to our Parent Teacher Organization. The group has been busy this year with fundraising, contributions to the school, and social activities that bring parents, young children, teachers and students together. The fundraising has assisted each grade level with expenses for their field trips as well as materials for the classroom. It also resulted in our receiving a brand new copy machine so desperately needed. The activities included a Valentine's Day Party and the International Night Pot Luck Supper. The P.T.O. urges all of you to consider becoming involved. Their next big project is to build a much needed addition to our playground.

The staff and I extend our appreciation to all of the people who have been volunteering at our school. Your assistance in the classroom, on field trips, tutoring, publishing books and working in the library has been vital to our success. Thank you.

Our building remains in excellent condition due to the efforts of our custodial staff. During this past year, the play area was reseeded and is once again in full use.

I have the honor to be serving as the President Elect/President of the New Hampshire Association of School Principals. My term runs through June of 1994.

The staff and I again want to assure you that we continue to strive toward excellence in the education of your children. We firmly believe that, with our school and community working together, this goal will be achieved.

Respectfully submitted,
Andre G. Goyer, C.A.G.S.
Principal

**SCHOOL ADMINISTRATIVE UNIT #14
ADMINISTRATIVE SALARIES**

1993 - 1994

<u>District</u>	<u>Share of Superintendent's Salary</u>	<u>Share of Asst. Supt. Salary</u>
26.84% Chester	\$17,251	\$14,663
50.47% Epping	32,439	27,573
22.69% Fremont	14,584	12,396
TOTAL	\$64,274	\$54,632

EPPING SCHOOL DISTRICT OPENING DAY ENROLLMENT

	1988	1989	1990	1991	1992
Grade 1	85	89	106	94	64
Grade 2	82	81	82	95	81
Grade 3	74	85	77	87	84
Grade 4	73	73	90	81	84
Grade 5	77	69	66	85	73
Grade 6	67	75	66	61	86
Grade 7	57	64	73	79	66
Grade 8	43	54	72	78	71
Grade 9	36	47	58	71	75
Grade 10	49	36	41	57	69
Grade 11	40	43	33	37	51
Grade 12	43	40	39	31	39
Readiness		12	7		
Special Ed	17				
TOTALS	743	768	810	856	843

STATISTICAL DATA

	1990-91	1991 - 92
Average Daily Membership	635.7 Elementary 172.1 Sr. High	665.5 Elementary 192.1 Sr. High
Average Daily Absence	26.8 Elementary 12.0 Sr. High	28.9 Elementary 13.0 Sr. High
% of Attendance	96% Elementary 93% Sr. High	95.7% Elementary 93.2% Sr. High

EPPING SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE
JUNE 30, 1992

EPPING SCHOOL DISTRICT

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Plodzick & Sanderson Professional Association

193 North Main Street Concord, N.H. 03301 (603) 225-6996

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL PRESENTATION

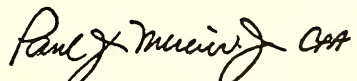
To the Members of the School Board
Epping School District
Epping, New Hampshire

We have audited the accompanying general purpose financial statements and the combining and individual fund financial statements of the Epping School District as of and for the year ended June 30, 1992, as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1B, the general purpose financial statements referred to above do not include the General Fixed Assets Account Group, which should be included to conform with generally accepted accounting principles. The amount that should be recorded in the General Fixed Assets Account Group is not known.

In our opinion, except that omission of the General Fixed Assets Account Group results in an incomplete presentation, as explained in the above paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Epping School District as of June 30, 1992, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds of the School District as of June 30, 1992, and the results of operations of such funds for the year then ended in conformity with generally accepted accounting principles.



PLODZIK & SANDERSON
Professional Association

October 1, 1992

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GENERAL PURPOSE
FINANCIAL STATEMENTS

EXHIBIT A
 EPPING SCHOOL DISTRICT
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1992

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue (Food Service)</u>
<u>ASSETS AND OTHER DEBITS</u>		
<u>Assets</u>		
Cash and Equivalents	\$	\$22,867
<u>Receivables</u>		
Accounts	20,984	
Intergovernmental	23,089	10,472
Interfund Receivable	21,948	
<u>Other Debits</u>		
Amount to Be Provided for		
Retirement of General Long-Term Debt		
TOTAL ASSETS AND OTHER DEBITS	<u>\$66,021</u>	<u>\$33,339</u>
 <u>LIABILITIES AND EQUITY</u>		
<u>Liabilities</u>		
Cash Overdraft	\$13,051	\$
Accounts Payable	5,636	4,626
Intergovernmental Payable	20,128	
Interfund Payable		21,948
Due to Student Groups		
Security Deposit	2,426	
General Obligation Debt Payable		
Total Liabilities	<u>41,241</u>	<u>26,574</u>
<u>Equity</u>		
<u>Fund Balances</u>		
Reserved for Encumbrances	2,100	
Reserved for Special Purposes		
<u>Unreserved</u>		
Designated for Special Purposes		6,765
Undesignated	<u>22,680</u>	
Total Equity	<u>24,780</u>	<u>6,765</u>
TOTAL LIABILITIES AND EQUITY	<u>\$66,021</u>	<u>\$33,339</u>

<u>Fiduciary Fund Types Trust and Agency</u>	<u>Account Group General Long-Term Debt</u>	<u>Totals (Memorandum Only)</u>	
		<u>June 30,</u>	<u>June 30,</u>
		<u>1992</u>	<u>1991</u>
\$30,643	\$	\$ 53,510	\$ 77,227
		20,984	
10,635		44,196	180,903
		21,948	15,775
	<u>1,505,000</u>	<u>1,505,000</u>	<u>1,870,000</u>
<u>\$41,278</u>	<u>\$1,505,000</u>	<u>\$1,645,638</u>	<u>\$2,143,905</u>
\$	\$	\$ 13,051	\$
		10,262	16,284
		20,128	
		21,948	15,775
30,643		30,643	26,051
		2,426	2,305
	<u>1,505,000</u>	<u>1,505,000</u>	<u>1,870,000</u>
<u>30,643</u>	<u>1,505,000</u>	<u>1,603,458</u>	<u>1,930,415</u>
		2,100	
10,635		10,635	10,000
		6,765	7,497
		22,680	195,993
<u>10,635</u>		<u>42,180</u>	<u>213,490</u>
<u>\$41,278</u>	<u>\$1,505,000</u>	<u>\$1,645,638</u>	<u>\$2,143,905</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT B
 EPPING SCHOOL DISTRICT
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances
 All Governmental Fund Types and Expendable Trust Funds
 For the Fiscal Year Ended June 30, 1992

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue (Food Service)</u>
<u>Revenues</u>		
School District Assessment	\$3,910,093	\$
Intergovernmental Revenues	554,282	69,149
Charges for Services	36,515	103,690
Miscellaneous	40,044	526
<u>Other Financing Sources</u>		
Operating Transfers In		
<u>Total Revenues and Other Financing Sources</u>	<u>4,540,934</u>	<u>173,365</u>
<u>Expenditures</u>		
<u>Current</u>		
Instruction	2,842,549	
<u>Supporting Services</u>		
Pupils	145,638	
Instructional Staff Services	127,504	
General Administration	213,416	
School Administration	260,386	
Business	527,237	174,097
Other	91,430	
Facilities Acquisition and Construction	13,244	
<u>Debt Service</u>		
Principal	365,000	
Interest	125,743	
<u>Other Financing Uses</u>		
Operating Transfers Out		
<u>Total Expenditures and Other Financing Uses</u>	<u>4,712,147</u>	<u>174,097</u>
<u>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</u>	(171,213)	(732)
<u>Fund Balances - July 1</u>	<u>195,993</u>	<u>7,497</u>
<u>Fund Balances - June 30</u>	<u>\$ 24,780</u>	<u>\$ 6,765</u>

Fiduciary Fund Type Expendable Trusts	Totals (Memorandum Only)	
	June 30, 1992	June 30, 1991
\$	\$3,910,093	\$4,139,112
	623,431	569,264
	140,205	136,348
635	41,205	37,539
		<u>60,300</u>
<u>635</u>	<u>4,714,934</u>	<u>4,942,563</u>
	2,842,549	2,783,986
	145,638	165,780
	127,504	135,213
	213,416	162,707
	260,386	249,682
	701,334	703,702
	91,430	78,786
	13,244	10,327
	365,000	355,000
	125,743	148,893
		<u>60,300</u>
	<u>4,886,244</u>	<u>4,854,376</u>
635	(171,310)	88,187
<u>10,000</u>	<u>213,490</u>	<u>125,303</u>
<u>\$10,635</u>	<u>\$ 42,180</u>	<u>\$ 213,490</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT C
EPPING SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General and Special Revenue Funds
For the Fiscal Year Ended June 30, 1992

	<u>General Fund</u>		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<u>Revenues</u>			
School District Assessment	\$3,910,093	\$3,910,093	\$
Intergovernmental Revenues	543,737	554,282	10,545
Charges for Services	18,000	36,515	18,515
Miscellaneous	<u>32,629</u>	<u>40,044</u>	<u>7,415</u>
<u>Total Revenues</u>	<u>4,504,459</u>	<u>4,540,934</u>	<u>36,475</u>
<u>Expenditures</u>			
<u>Current</u>			
Instruction	2,823,703	2,842,549	(18,846)
<u>Supporting Services</u>			
Pupils	182,057	145,638	36,419
Instructional Staff Services	138,501	127,504	10,997
General Administration	202,169	213,416	(11,247)
School Administration	247,195	260,386	(13,191)
Business	490,338	527,237	(36,899)
Other	103,327	91,430	11,897
Facilities Acquisition and Construction	15,000	13,244	1,756
<u>Debt Service</u>			
Principal	365,000	365,000	
Interest	<u>125,743</u>	<u>125,743</u>	
<u>Total Expenditures</u>	<u>4,693,033</u>	<u>4,712,147</u>	<u>(19,114)</u>
<u>Excess (Deficiency) of Revenues</u>			
<u>Over (Under) Expenditures</u>	(188,574)	(171,213)	17,361
<u>Fund Balances - July 1</u>	<u>195,993</u>	<u>195,993</u>	
<u>Fund Balances - June 30</u>	<u>\$ 7,419</u>	<u>\$ 24,780</u>	<u>\$17,361</u>

Special Revenue Fund (Food Service)			Totals (Memorandum Only)		
<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
\$ 40,000	\$ 69,149	\$ 29,149	\$3,910,093	\$3,910,093	\$ 39,694
66,837	103,690	36,853	583,737	623,431	55,368
	526	526	84,837	140,205	7,941
			32,629	40,570	
<u>106,837</u>	<u>173,365</u>	<u>66,528</u>	<u>4,611,296</u>	<u>4,714,299</u>	<u>103,003</u>
			2,823,703	2,842,549	(18,846)
			182,057	145,638	36,419
			138,501	127,504	10,997
			202,169	213,416	(11,247)
			247,195	260,386	(13,191)
106,837	174,097	(67,260)	597,175	701,334	(104,159)
			103,327	91,430	11,897
			15,000	13,244	1,756
			365,000	365,000	
			125,743	125,743	
<u>106,837</u>	<u>174,097</u>	<u>(67,260)</u>	<u>4,799,870</u>	<u>4,886,244</u>	<u>(86,374)</u>
	(732)	(732)	(188,574)	(171,945)	16,629
<u>7,497</u>	<u>7,497</u>		<u>203,490</u>	<u>203,490</u>	
<u>\$ 7,497</u>	<u>\$ 6,765</u>	<u>(\$ 732)</u>	<u>\$ 14,916</u>	<u>\$ 31,545</u>	<u>\$ 16,629</u>

The notes to the financial statements are an integral part of this statement.

EPPING SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1992

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Epping School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Governmental Reporting Entity

For financial reporting purposes, in conformity with the National Council on Governmental Accounting Statement Number 3, *Defining the Governmental Reporting Entity*, the School District includes all funds and account groups that are controlled by or dependent on the School District's executive or legislative branches. Control by or dependence on the School District is determined on the basis of budget adoption, outstanding debt secured by revenue or general obligations of the School District, obligation of the School District to finance any deficits that may occur, or receipt of significant subsidies from the School District.

B. Basis of Presentation

The accounts of the School District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped by type in the financial statements. The following fund types and account groups are used by the School District:

GOVERNMENTAL FUND TYPES

Governmental Funds are those through which most governmental functions of the School District are financed. The acquisition, use and balances of the School District's expendable financial resources, and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the School District's Governmental Fund Types:

General Fund - The General Fund is the general operating fund of the School District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. From the fund are paid the general operating expenditures,

EPHING SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1992

the fixed charges, and the capital improvement costs that are not paid through other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Included in this fund type is the Food Service Fund.

FIDUCIARY FUND TYPES

Fiduciary Funds include Expendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as of governmental funds. Agency Funds are purely custodial (assets equal liabilities) and, thus, do not involve measurement of results of operations.

Trust and Agency Funds - Trust and Agency Funds are used to account for the assets held in trust or as an agent for others by the School District. The following funds are included in this fund type:

Expendable Trust Funds

Capital Reserve Fund

Agency Funds

High and Middle High School Student Activities Fund

Elementary School Student Activities Fund

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the School District's general fixed assets and general long-term debt.

General Fixed Assets Account Group - General fixed assets have been acquired for general governmental purposes and have been recorded as expenditures in the fund making the expenditure. These expenditures are required to be capitalized at historical cost in a General Fixed Asset Group of Accounts for accountability purposes. In accordance with the practices followed by most other municipal entities in the State, the School District does not maintain a record of its general fixed assets and, accordingly, a statement of general fixed assets, required by generally accepted accounting principles, is not included in this financial report.

General Long-Term Debt Account Group - This group of accounts is established to account for all long-term debt of the School District.

Total Columns (Memorandum Only) on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis.

EPPING SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1992

Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements, because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basis of Accounting

The accounts of the Governmental, Expendable Trust, and Agency Funds are maintained and reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Application of the "susceptibility to accrual" criteria requires judgement, consideration of the materiality of the item in question, and due regard for the practicality of accrual, as well as consistency in application. Those revenues susceptible to accrual are District assessments (taxes), intergovernmental revenues, charges for services and interest revenue. Expenditures are recorded when the related fund liability is incurred. Accumulated unpaid vacation and sick pay, and principal and interest on general long-term debt are recorded as fund liabilities when due.

D. Budgetary Accounting

General Budget Policies

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the School District's operations. At its annual meeting, the School District adopts a budget for the next fiscal year for the General Fund and all Special Revenue Funds. The budget is used by the Department of Revenue Administration each fall to set the tax rate for the applicable municipality. The School Board may transfer appropriations between operating categories as they deem necessary. All annual appropriations lapse at year end unless encumbered. Expenditures may not legally exceed budgeted appropriations.

PEPPING SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1992

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures and are, therefore, reported as part of the fund balance at June 30 and are carried forward to supplement appropriations of the subsequent year.

Budget Basis of Accounting

The School District's budget is adopted on a basis consistent with generally accepted accounting principles.

State Statutes require balanced budgets and the use of beginning general fund unreserved fund balance to reduce District assessments. In 1991-92, the beginning fund balance was applied as follows:

Unreserved Fund Balance Used to Reduce District Assessment	<u>\$188,574</u>
---	------------------

E. Assets, Liabilities and Fund Equity

1. Cash and Equivalents

State Statutes authorize the School District to invest excess funds in the custody of the Treasurer in obligations of the United States Government, in savings bank deposits of banks incorporated under the laws of the State of New Hampshire, in certificates of deposit of banks incorporated under the laws of the State of New Hampshire, or in national banks located within this State or the Commonwealth of Massachusetts. These financial statements report investments in certificates of deposit and savings bank deposits under the caption "Cash and Equivalents."

2. Receivables

Revenues for the most part are recorded when received, except for the following items for which receivables have been recorded:

- a. The District's assessment is recognized when the tax rate is set by the Department of Revenue Administration. The responsibility for the collection of taxes rests with the applicable municipality.
- b. Interest on investments is recorded as revenue in the year earned.

EPPING SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1992

- c. Certain grants received from other governments require that eligible expenditures be made in order to earn the grant. Revenue for these grants is recorded for the period in which eligible expenditures are made.
- d. Tuition charges are recorded as revenue for the period when service was provided.

3. *Interfund Receivables and Payables*

During the course of normal operations, the School District has numerous transactions between funds, including expenditures and transfers of resources to provide services. The accompanying governmental and fiduciary fund financial statements reflect such transactions as transfers. To the extent that certain transactions have not been paid or received as of June 30, balances of interfund amounts receivable or payable have been recorded.

4. *Long-Term Liabilities*

All governmental funds and expendable trust funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

General obligation bonds and other forms of long-term debt supported by general revenues are obligations of the School District as a whole. Accordingly, such unmatured obligations of the School District are accounted for in the General Long-Term Debt Group of Accounts.

5. *Fund Equity*

Reserved Fund Balance

Reserved fund balance indicates that portion of fund equity which has been legally segregated for specific purposes.

Designated Fund Balance

Designated fund balance indicates that portion of fund equity for which the School District has made tentative plans.

EPHING SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1992

Undesignated Fund Balance

Undesignated fund balance indicates that portion of fund equity which is available to reduce taxes of the subsequent year.

F. Compensated Absences

Employees may accumulate up to 150 days sick leave at a rate of 13 days per year. For employees other than teachers, vacation is granted in varying amounts based on length of service. Vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and fund liability of the General Fund. Amounts of vested or accumulated leave benefits that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive earned leave benefits.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures Over Appropriations and Application of the Municipal Budget Law (RSA Chapter 32)

The School District has adopted the provisions of the Municipal Budget Law, and cannot expend in excess of its total budgeted appropriations unless approval is secured from the State Board of Education. During 1991-92, the School District exceeded its total budgeted appropriations by \$21,214 as follows:

Budgetary Appropriations (Exhibit A-2)	\$4,693,033
Budgetary Expenditures and Encumbrances	<u>4,714,247</u>
Net Overdraft of Budgetary Appropriations	<u>\$ 21,214</u>

There is no evidence that approval from the Board of Education was obtained.

NOTE 3 - ASSETS

A. Cash and Investments

At year end, the net carrying amount of the School District's cash deposits is \$40,459 and the bank balance is \$159,615. Of the bank balance, \$130,575 was covered by Federal depository insurance and \$29,040 was uninsured.

Whenever the Treasurer has in his custody an excess of funds which are not immediately needed for the purpose of expenditure, State Statutes require the Treasurer, with the approval of the School Board, to invest the same in

EPPING SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1992

obligations of the United States Government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under the laws of the State of New Hampshire or in certificates of deposits of banks incorporated under the laws of the State of New Hampshire or in national banks located within New Hampshire or the Commonwealth of Massachusetts. Any person who directly or indirectly receives any such funds for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the District. Only securities defined by the Bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

Trust Funds of a school district must be held in the custody of the Trustees of Trust Funds of the town wherein the school district lies or, in the case of a district embracing two or more towns, by the Trustees of that town which the voters of the school district elect. The Town of Epping Trustees hold the Epping School District's Trust Funds.

B. *Intergovernmental Receivable*

Amounts due from other governments at June 30, 1992 include:

General Fund:

Due from other School Districts - miscellaneous reimbursements and tuition	\$16,849
Due from State of New Hampshire - reimbursements for driver education and vocational education transportation	6,240

Special Revenue Funds:

Food Service Fund:

Due from the State of New Hampshire - various State and Federal grants	10,472
--	--------

Trust and Agency Funds:

Capital Reserve Funds in the custody of Town of Epping Trustees of Trust Funds	<u>10,635</u>
--	---------------

Total Intergovernmental Receivable \$44,196

C. *Interfund Receivables/Payables*

Individual fund interfund receivable and payable balances at June 30, 1992 are as follows:

EPHING SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1992

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$21,948	\$
<u>Special Revenue Fund</u>		
Food Service		<u>21,948</u>
<u>Totals</u>	<u>\$21,948</u>	<u>\$21,948</u>

NOTE 4 - LIABILITIES

A. Intergovernmental Payable

The School District has recorded \$20,128 as an intergovernmental payable which represents vocational tuition of \$19,774 due to Exeter School District and \$354 due to the State of New Hampshire for educational services.

B. Defined Benefit Pension Plan

The Epping School District participates in the New Hampshire Retirement System, a cost-sharing multiple-employer public employee retirement system. This system is a defined benefit contributory retirement plan, administered by the State of New Hampshire, which covers substantially all employees of the State and participating political subdivisions, and the teaching and professional staff of the public school system. The payroll for School District employees covered by the system for the year ended June 30, 1992 was \$2,173,796; the School District's total payroll was \$2,343,810.

The New Hampshire Retirement System provides retirement, disability and death benefits according to predetermined formulae. All full-time employees are eligible to participate in the system.

Covered employees are required by State Statute to contribute 5.0% of their salary to the plan. The School District is required by the same statute to contribute a percentage of the employee's salary, based on an actuarial valuation of the entire State plan performed June 30, 1989. These contributions represented 1.54% for teachers and 2.51% for all other employees. The contribution requirements for the year ended June 30, 1992 were \$145,336, which consisted of \$36,646 from the School District and \$108,690 from employees.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the system's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when

EPPING SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1992

due, and make comparisons among retirement systems and employers. The State retirement system does not make separate measurements of assets and pension benefit obligations for individual employers. According to plan administrators, the pension benefit obligation at June 30, 1991 for the system as a whole, determined through an actuarial valuation performed as of that date, was \$1,676,309,803. The system's net assets available for benefits on June 30, 1991 (as reported in the Plan's Audited Annual Report dated December 31, 1991) were at \$1,348,799,019. No more recent figures are available at this time. The percentage that the School District has in relation to the entire plan cannot be determined. The 10-year historical trend information presenting the plan's progress in accumulating sufficient assets to pay benefits when due is presented on pages 73 and 74 of the above referenced annual report of the New Hampshire Retirement System.

C. Long-Term Debt

General Obligation Debt

The following is a summary of general obligation debt transactions of the School District for the fiscal year ended June 30, 1992.

General Obligation Debt Payable, July 1, 1991	\$1,870,000
General Obligation Debt Retired	<u>365,000</u>
General Obligation Debt Payable, June 30, 1992	<u>\$1,505,000</u>

General obligation debt payable at June 30, 1992 is comprised of the following individual issues:

\$1,700,000 1978 School Bonds payable in annual installments of \$110,000 through 1994; interest at 5.40%	\$ 220,000
\$650,000 1986 School Bonds payable in annual installments of \$55,000 on July 15, 1990, \$60,000 through July 15, 1992, \$65,000 on July 15, 1993, \$70,000 on July 15, 1994, \$75,000 on July 15, 1995, \$80,000 on July 15, 1996 and \$85,000 on July 15, 1997; interest at variable rates	375,000
\$1,950,000 1986 School Bonds payable in annual installments of \$175,000, \$185,000, \$195,000, \$210,000, \$220,000, \$235,000, \$245,000 on August 15, 1989 and subsequent years respectively; interest at variable rates	<u>910,000</u>
<u>Total</u>	<u>\$1,505,000</u>

EPPING SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1992

The annual requirements to amortize all general obligation debt outstanding as of June 30, 1992, including interest payments, are as follows:

Annual Requirements To Amortize General Obligation Debt

Fiscal Year Ending June 30,	General Obligation Debt		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1993	\$ 385,000	\$101,231	\$ 486,231
1994	400,000	74,872	474,872
1995	310,000	50,370	360,370
1996	325,000	27,366	352,366
1997	<u>85,000</u>	<u>3,293</u>	<u>88,293</u>
<u>Totals</u>	<u>\$1,505,000</u>	<u>\$257,132</u>	<u>\$1,762,132</u>

All debt is general obligation debt of the School District, which is backed by its full faith and credit.

Legal Debt Margin

According to State Law, School District borrowing may not exceed seven percent (7%) of the valuation of property based upon the applicable locally assessed valuation of the municipality as last equalized by the Commissioner of Revenue Administration. At June 30, 1992, the Epping School District is using an equalized value of \$239,189,235 and a legal debt margin of \$16,743,246.

NOTE 5 - FUND EQUITY

Reserved for Encumbrances

The General Fund reserve for encumbrances at June 30, 1992 is detailed in Exhibit A-2 and totals \$2,100.

Reserved for Special Purposes

Amounts which are legally restricted for specific future purposes are shown in the financial statements as reserved for special purposes. Those balances at June 30, 1992 were as follows:

Capital Reserve Fund

School Bus Replacement

\$10,635

Designated for Special Purposes

The \$6,765 designated for special purposes represents the following fund balance which management intends to use in the subsequent years:

Special Revenue Fund

Food Service

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS

EXHIBIT A-1
 EPPING SCHOOL DISTRICT
 General Fund
 Statement of Estimated and Actual Revenues
 For the Fiscal Year Ended June 30, 1992

<u>REVENUES</u>	<u>Estimated</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<u>School District Assessment</u>			
Current Appropriation	<u>\$3,910,093</u>	<u>\$3,910,093</u>	<u>\$</u>
<u>Tuition</u>			
Regular Day School	<u>18,000</u>	<u>36,515</u>	<u>18,515</u>
<u>Other Local Revenue</u>			
Earnings on Investments	5,000	4,539	(461)
Rentals	27,000	30,941	3,941
Trust Fund Income	200	555	355
Other	<u>429</u>	<u>4,009</u>	<u>3,580</u>
Total Other Local Revenue	<u>32,629</u>	<u>40,044</u>	<u>7,415</u>
<u>State Sources</u>			
Foundation Aid	331,333	331,333	
School Building Aid	108,646	108,646	
<u>Vocational School Aid</u>			
Transportation		3,649	3,649
Driver Education	2,000	5,404	3,404
Catastrophic Aid	101,758	102,981	1,223
Road Toll Refunds		<u>2,269</u>	<u>2,269</u>
Total State Sources	<u>543,737</u>	<u>554,282</u>	<u>10,545</u>
<u>Total Revenues</u>	4,504,459	<u>\$4,540,934</u>	<u>\$36,475</u>
<u>Unreserved Fund Balance Used to</u>			
Reduce School District Assessment	<u>188,574</u>		
<u>Total Revenues and Use of Fund Balance</u>	<u>\$4,693,033</u>		

The notes to the financial statements are an integral part of this statement.

EXHIBIT A-2
EPPING SCHOOL DISTRICT
General Fund
Statement of Appropriations, Expenditures and Encumbrances
For the Fiscal Year Ended June 30, 1992

	Appropriations 1991-92	Expenditures Net of Refunds
<u>Current</u>		
<u>Instruction</u>		
Regular Programs	\$1,928,711	\$1,867,259
Special Programs	799,103	891,780
Vocational Programs	47,460	30,312
Other Instructional Programs	48,429	53,198
Total Instruction	<u>2,823,703</u>	<u>2,842,549</u>
<u>Supporting Services</u>		
<u>Pupils</u>		
Attendance and Social Work	1,215	1,215
Guidance	93,124	93,245
Health	25,678	28,071
Speech Pathology and Audiology	62,040	23,107
	<u>182,057</u>	<u>145,638</u>
<u>Instructional Staff Services</u>		
Improvement of Instruction	29,100	23,989
Educational Media	109,401	103,515
	<u>138,501</u>	<u>127,504</u>
<u>General Administration</u>		
School Board	34,962	46,209
Office of the Superintendent	167,207	167,207
	<u>202,169</u>	<u>213,416</u>
School Administration	247,195	260,386
<u>Business</u>		
Operation and Maintenance of Plant	270,034	307,103
Pupil Transportation	220,304	220,134
	<u>490,338</u>	<u>527,237</u>
Other Supporting Services	103,327	91,430
Total Supporting Services	<u>1,363,587</u>	<u>1,365,611</u>
<u>Facilities Acquisition and Construction</u>	15,000	13,244
<u>Debt Service</u>		
Principal of Long-Term Debt	365,000	365,000
Interest Expense - Long-Term Debt	125,743	125,743
Total Debt Service	<u>490,743</u>	<u>490,743</u>
<u>Total Appropriations.</u>		
<u>Expenditures and Encumbrances</u>	<u>\$4,693,033</u>	<u>\$4,712,147</u>

<u>Encumbered</u> <u>To 1992-93</u>	(Over) Under <u>Budget</u>
\$	\$61,452
	(92,677)
	17,148
	(4,769)
	(18,846)
	(121)
	(2,393)
	<u>38,933</u>
	<u>36,419</u>
2,100	3,011
	<u>5,886</u>
<u>2,100</u>	<u>8,897</u>
	(11,247)
	<u>(11,247)</u>
	<u>(13,191)</u>
	(37,069)
	<u>170</u>
	(36,899)
	<u>11,897</u>
<u>2,100</u>	(4,124)
	<u>1,756</u>
<u>\$2,100</u>	<u>(\$21,214)</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT A-3
EPPING SCHOOL DISTRICT
General Fund
Statement of Changes in Unreserved - Undesignated Fund Balance
For the Fiscal Year Ended June 30, 1992

<u>Unreserved - Undesignated</u>		
<u>Fund Balance - July 1</u>	\$195,993	
<u>Deductions</u>		
Unreserved Fund Balance Used to		
Reduce 1991-92 School District Assessment	<u>188,574</u>	\$ 7,419
<u>Additions</u>		
<u>1991-92 Budget Summary</u>		
Revenue Surplus (Exhibit A-1)	\$ 36,475	
Overdraft of Appropriations (Exhibit A-2)	(<u>21,214</u>)	
1991-92 Budget Surplus		<u>15,261</u>
<u>Unreserved - Undesignated</u>		
<u>Fund Balance - June 30</u>		<u>\$22,680</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT B-1
 EPPING SCHOOL DISTRICT
 Special Revenue Fund - Food Service Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 1992

Revenues

Intergovernmental

Federal Lunch Reimbursement	\$ 53,206
State Reimbursement	4,055
USDA Commodities	11,888

Charges for Services

Lunch and Milk Sales	57,382
A la Carte Sales	46,308

Miscellaneous

Interest Income	<u>526</u>
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Total Revenues

\$173,365

Expenditures

Current

Business

Food Purchases	\$102,088
Labor and Benefits	65,010
Expendable Supplies	6,487
Other	<u>512</u>

Total Expenditures

174,097

Excess (Deficiency) of Revenues

Over (Under) Expenditures

(732)

Fund Balance - July 1

7,497

Fund Balance - June 30

\$ 6,765

The notes to the financial statements are an integral part of this statement.

EXHIBIT C-1
EPPING SCHOOL DISTRICT
Trust and Agency Funds
Combining Balance Sheet
June 30, 1992

<u>ASSETS</u>	<u>Expendable Trusts Capital Reserve</u>	<u>Agency Student Activities</u>
Cash and Equivalents	\$	\$30,643
<u>Receivables</u>		
Intergovernmental	<u>10,635</u>	<u> </u>
TOTAL ASSETS	<u>\$10,635</u>	<u>\$30,643</u>
 <u>LIABILITIES AND EQUITY</u>		
<u>Liabilities</u>		
Due to Student Groups	\$ <u> </u>	<u>\$30,643</u>
<u>Equity</u>		
<u>Fund Balances</u>		
Reserved for Special Purposes	<u>10,635</u>	<u> </u>
TOTAL LIABILITIES AND EQUITY	<u>\$10,635</u>	<u>\$30,643</u>

Totals	
June 30, 1992	June 30, 1991
\$30,643	\$26,051
<u>10,635</u>	<u>10,000</u>
<u>\$41,278</u>	<u>\$36,051</u>
<u>\$30,643</u>	<u>\$26,051</u>
<u>10,635</u>	<u>10,000</u>
<u>\$41,278</u>	<u>\$36,051</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT C-2
EPPING SCHOOL DISTRICT
Student Activities Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 1992

High and Middle School Student Activities Fund	Balance July 1, 1991	Additions	Deductions	Balance June 30, 1992
<u>ASSETS</u>				
Cash and Equivalents	<u>\$18,647</u>	<u>\$111,401</u>	<u>\$108,287</u>	<u>\$21,761</u>
<u>LIABILITIES</u>				
Due to Student Groups	<u>\$18,647</u>	<u>\$111,401</u>	<u>\$108,287</u>	<u>\$21,761</u>
Elementary School Student Activities Fund				
<u>ASSETS</u>				
Cash and Equivalents	<u>\$ 7,404</u>	<u>\$ 12,997</u>	<u>\$ 11,519</u>	<u>\$ 8,882</u>
<u>LIABILITIES</u>				
Due to Student Groups	<u>\$ 7,404</u>	<u>\$ 12,997</u>	<u>\$ 11,519</u>	<u>\$ 8,882</u>
Totals - All Student Activities Funds				
<u>ASSETS</u>				
Cash and Equivalents	<u>\$26,051</u>	<u>\$124,398</u>	<u>\$119,806</u>	<u>\$30,643</u>
<u>LIABILITIES</u>				
Due to Student Groups	<u>\$26,051</u>	<u>\$124,398</u>	<u>\$119,806</u>	<u>\$30,643</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT C-3
 EPPING SCHOOL DISTRICT
 Agency Fund - High and Middle School Student Activities
 Statement of Changes in Assets and Liabilities
 For the Fiscal Year Ended June 30, 1992

ACTIVITY	Activity Balance (Overdraft) July 1, 1991	Additions	Deductions	Activity Balance (Overdraft) June 30, 1992
<u>Class of</u>				
1991	\$ 897	\$ 34	\$ 375	\$ 556
1992	91	1,973	1,571	493
1993	1,663	3,395	5,030	28
1994	254	2,035	740	1,549
1995		2,437	1,636	801
1996	192	3		195
Band	100	308	400	8
Drama	153	899	872	180
Driver's Education	1,375	6,176	7,386	165
Epping Messenger	102	150	102	150
French	70			70
Gate Receipts	189	6,618	6,808	(1)
Graduation Classes	2,629	136		2,765
Library	167	266	167	266
Locker	1,617	425	575	1,467
Middle School	1,564	33,463	30,881	4,146
National Honor Society	278	704	726	256
SADD	470	26	100	396
Shop	253	15		268
Snack Program	2,103	71	2,173	1
Special Arts	496	17	513	
Coke	2,121	8,472	10,231	362
Student Council	1,097	2,721	2,644	1,174
Student Support	1,010	602	738	874
Yearbook	(994)	4,856	872	2,990
Postage	321	2,728	2,864	185
Bus Drivers	142	2,962	2,824	280
Home Economics	280	411	488	203
Other	7	80	87	
Officials		7,277	6,466	811
Books		484	122	362
In and Out		21,097	20,587	510
Field Trips		282	234	48
Cheering		65	65	
Chess		100		100
Video		99	10	89
Voice of Epping		14		14
<u>Totals</u>	<u>\$18,647</u>	<u>\$111,401</u>	<u>\$108,287</u>	<u>\$21,761</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT C-4
 EPPING SCHOOL DISTRICT
 Agency Fund - Elementary School Student Activities
 Statement of Changes in Assets and Liabilities
 For the Fiscal Year Ended June 30, 1992

<u>ACTIVITY</u>	<u>Activity Balance July 1, 1991</u>	<u>Additions</u>	<u>Deductions</u>	<u>Activity Balance (Overdraft) June 30, 1992</u>
Books	\$1,589	\$ 4,742	\$ 3,811	\$2,520
Computer Club	156		125	31
Performing Arts	3,974	1,542	356	5,160
School Programs	2	69	79	(8)
Soda	782	4,187	4,052	917
Grade One	3	255	290	(32)
Grade Two	106	890	1,004	(8)
Grade Three	359	295	471	183
Grade Four	137	616	738	15
Grade Five	<u>296</u>	<u>401</u>	<u>593</u>	<u>104</u>
<u>Totals</u>	<u>\$7,404</u>	<u>\$12,997</u>	<u>\$11,519</u>	<u>\$8,882</u>

The notes to the financial statements are an integral part of this statement.

SINGLE AUDIT ACT
INDEPENDENT AUDITOR'S REPORTS AND SCHEDULE

Plodzik & Sanderson Professional Association

193 North Main Street Concord, N.H. 03301 (603) 225-6996

INDEPENDENT AUDITOR'S COMBINED REPORT ON INTERNAL CONTROL STRUCTURE

To the Members of the School Board
Epping School District
Epping, New Hampshire

We have audited the general purpose financial statements of the Epping School District as of and for the year ended June 30, 1992, and have issued our report thereon dated October 1, 1992. We have also audited the School District's compliance with requirements applicable to nonmajor Federal financial assistance programs and have issued our report thereon dated October 1, 1992.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audit of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the School District complied with laws and regulations, noncompliance with which would be material to a Federal financial assistance program.

In planning and performing our audit for the year ended June 30, 1992, we considered the School District's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the School District's general purpose financial statements and on its compliance with requirements applicable to Federal financial assistance programs and not to provide assurance on the internal control structure.

The management of the Epping School District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that Federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

*Epping School District
Independent Auditor's Combined Report on Internal Control Structure*

Accounting Controls

- Budgeting Cycle
- Payroll Cycle
- Expenditure (other than payroll) Cycle
- Data Processing Cycle
- Revenue Cycle
- Financial Reporting Cycle

General Requirements

- Political Activity
- Civil Rights
- Cash Management
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Drug-free Workplace
- Administration Requirements

Specific Requirements

- Types of Services
- Eligibility
- Reporting

Claims for Advances and Reimbursements

Amounts Claimed or Used for Matching

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1992, the Epping School District had no major Federal financial assistance programs and expended 82% of its total Federal financial assistance under the following nonmajor Federal financial assistance program:

National School Lunch Program

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the School District's

*Epping School District
Independent Auditor's Combined Report on Internal Control Structure*

ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements or to administer Federal financial assistance programs in accordance with applicable laws and regulations.

Payroll Manifests, authorizing the Treasurer to expend funds, were not signed by the School Board.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited, or that noncompliance with laws and regulations that would be material to a Federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

We also noted other matters involving the internal control structure and its operation that we reported to the management of the School District in a separate letter dated October 1, 1992.

This report is intended for the information of management and the applicable State and Federal agencies. This restriction is not intended to limit the distribution of this report which is a matter of public record.

October 1, 1992


PLODZIK & SANDERSON
Professional Association

Plodzick & Sanderson Professional Association

193 North Main Street Concord, N.H. 03301 (603) 225-6996

*INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO*

To the Members of the School Board
Epping School District
Epping, New Hampshire

We have audited the general purpose financial statements and the combining and individual fund financial statements of the Epping School District as of and for the year ended June 30, 1992, and have issued our report thereon dated October 1, 1992.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

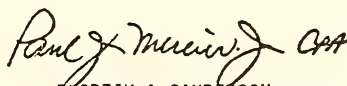
Compliance with laws, regulations, contracts, and grants applicable to the Epping School District is the responsibility of the School District's management.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the School District's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the School District complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the School District had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the applicable State and Federal agencies. This restriction is not intended to limit the distribution of this report which is a matter of public record.

October 1, 1992


PLODZIK & SANDERSON
Professional Association

Plodzik & Sanderson Professional Association

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Members of the School Board
Epping School District
Epping, New Hampshire

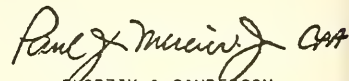
In connection with our audit of the June 30, 1992 general purpose financial statements and the combining and individual fund financial statements of the Epping School District, and with our study and evaluation of the School District's internal control systems used to administer Federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Audits of State and Local Governments*, we selected certain transactions applicable to a certain nonmajor Federal financial assistance program for the year ended June 30, 1992.

As required by Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to these transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the School District's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the School District had not complied, in all material respects, with those requirements.

This report is intended for the information of management and the applicable State and Federal agencies. This restriction is not intended to limit the distribution of this report which is a matter of public record.

October 1, 1992


PLODZIK & SANDERSON
Professional Association

Plodzick & Sanderson Professional Association

193 North Main Street Concord, N.H. 03301 (603) 225-6996

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To the Members of the School Board
Epping School District
Epping, New Hampshire

We have audited the general purpose financial statements of the Epping School District and the combining and individual fund financial statements of the School District for the year ended June 30, 1992, and have issued our report thereon dated October 1, 1992. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the financial statements of the School District. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.



PLODZIK & SANDERSON
Professional Association

October 1, 1992

SCHEDULE I
 EPPING SCHOOL DISTRICT
 Schedule of Federal Financial Assistance
 For the Fiscal Year Ended June 30, 1992

<u>FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantors Number</u>
US Department of Agriculture Passed Through the State of New Hampshire <u>Department of Agriculture</u>		
Food Distribution <u>(Food Donation Program)</u> Surplus Distribution	10.550	N/A
US Department of Agriculture Passed Through the State of New Hampshire <u>Department of Education</u>		
National School Lunch Program	10.555	N/A
<u>Totals</u>		

Accrued (Deferred) Grant Revenues <u>July 1, 1991</u>	<u>Revenues</u>		<u>Expenditures</u>		Accrued (Deferred) Grant Revenues <u>June 30, 1992</u>
	<u>Federal</u>	<u>State</u>	<u>Federal</u>	<u>Non Federal</u>	
<u>\$</u>	<u>\$11,888</u>	<u>\$</u>	<u>\$11,888</u>	<u>\$</u>	<u>\$</u>
<u> </u>	<u>53,206</u>	<u>4,055</u>	<u>53,206</u>	<u>4,055</u>	<u> </u>
<u>\$-0-</u>	<u>\$65,094</u>	<u>\$4,055</u>	<u>\$65,094</u>	<u>\$4,055</u>	<u>\$-0-</u>

SELECTMEN'S OFFICE
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DURHAM, NH 03824

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